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# Protect Paid Family & Medical Leave - Combined Testimony Wednesday, April 23, 2025

Good morning Senator Tipping, Representative Roeder, and honorable members of the Labor committee. My name is Catherine Buxton, and I am a policy advocate for Maine Equal Justice. We are a member of the Peer Workforce Navigator Project, a coalition of six community-based organizations across the state working to connect more Mainers to good, family-supporting jobs. The coalition is enthusiastic about the new Paid Family and Medical Leave program. If Maine implements the program as written in current law, we are confident our state will see similar results as other paid leave programs across the country: increased employee retention and performance, improved financial security for households, and positive health outcomes for workers and their families.<sup>1</sup>

The committee and the entire Legislature owe it to Maine workers to ensure this program, to which we *all* contribute, is available in May 2026 as promised. Do not waiver because a small but loud few seek to discredit it, this is not representative of your constituents' will. Recent polling suggests a vast majority of Mainers want this program.<sup>2</sup> Maine won't be able to attract or keep working families without policies that make it possible for parents and caretakers to stay in the workforce and care for themselves and their loved ones.

We urge you to reject the following bills that repeal, threaten, or drastically dampen the positive impacts of the paid leave program:

• LD 406 & LD 539: We oppose all bills that repeal the program. This wastes time and state resources already spent on implementation and enrollment. This goes against the wishes of the majority of Maine workers.

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<sup>&</sup>lt;sup>1</sup> National Partnership for Women & Families, Paid Leave Works: Evidence from State Programs.

https://nationalpartnership.org/wp-content/uploads/2023/02/paid-leave-works-evidence-from-state-programs.pdf (November 2023)

<sup>&</sup>lt;sup>2</sup> Over 70% of Mainers in a representative sample supported or very strongly supported the creation of a public paid family and medical leave program. - Polling summary -

 $<sup>\</sup>label{eq:https://static1.squarespace.com/static/62a0ad4bda5a1f5cff8bfd02/t/67fceced9661f5610e5b5643/1744628974116/PAR+ Omnibus+PFML+Polling+Memo+-+April+2025+%281%29.pdf$ 

- LD 952: We oppose this bill because it discriminates against agricultural workers, needlessly denying them yet another labor right.
- LD 1169, LD 1249 & LD 1307: We oppose these bills because they threaten the solvency of the PFML fund before any Maine worker is ever able to make a claim and before the state has had time to evaluate equivalent plans. LD 1307 also sets hard-to-meet timelines for the Department at the outset of the program when a huge number of applications need to be processed all at once.
- LD 1221: We oppose this bill because it is wasteful, unnecessary, and an inappropriate use of a Constitutional amendment. The Department should be allowed to use PFML funds for administration including program outreach and other allowable expenses that increase recipiency, access, and compliance, which we worry this proposed language might prohibit.
- LD 1273: We oppose this bill because we believe this public program should be mandatory and available to all, not up to the will of one's employer. There is evidence that voluntary programs are much less popular or effective.<sup>3</sup>
- LD 1333: We oppose this change because it adds a significant barrier by requiring someone to be employed at a company for 120 days prior to leave. This denies an individual who has paid into the system their rightful benefits should they need to make a claim before the 120 days is exhausted. Existing statute already says an employee who has worked at a company for less than 120 days does not have the same job protection as a longer-term employee.
- LD 1400: We oppose this change because we believe school employees should have the same access to PFML as all other workers.
- LD 1712: This bill threatens the viability and equity of the program through seemingly small but significant changes to key aspects of the program. These changes privilege businesses and jeopardize workers' ability to get benefits, which is to the detriment of both the worker and their workplace. I offer further detail about this dangerous bill below as I believe it deserves careful attention and hope the committee will vote ought not to pass.

We support technical changes and program improvements in the following bills: LD 106 and LD 894. We also support the LD 575 as we believe the employer hardship exemption creates added barriers for workers, making it much harder to access benefits they pay for with each paycheck. The hardship exemption is likely to result in denied claims *and* higher administrative costs to adjudicate disputes between employees and employers.

## Peer Workforce Navigators see first-hand how paid leave will improve workers' lives.

The Peer Workforce Navigator Project works with hundreds of unemployed or underemployed people across Maine. We hear countless stories from workers struggling to find and keep good jobs

<sup>&</sup>lt;sup>3</sup> New Hampshire Public Radio & New Hampshire Business Review, "A Year in NH Paid Family Leave Doesn't Have Many Participants" (December 2023)

https://www.nhbr.com/almost-a-year-in-nh-paid-family-and-medical-leave-doesnt-have-many-participants/

while caring for themselves and their families. Here are two stories from community members whose lives and careers would be made invariably better if they had access to long-term paid leave.

#### Sonia's story:

Sonia started working as a temporary employee at a manufacturing company for over a year without any benefits like sick-time, vacation, or paid leave. In November 2023, Sonia was 8 months pregnant. She came home from work every day, her feet swollen and blistering. She was often short of breath and constantly worried about passing out while operating machinery. She tried to push through until her delivery date, knowing her family was going to lose her income once the baby was born. I met Sonia at one of our job seeker clinics just a few weeks after she gave birth. Her husband worked, but he did not make enough to support the whole family alone. She wanted to know what her family could do. Unemployment? GA or TANF? They didn't qualify. They were behind on rent and the additional weeks Sonia had taken off before giving birth had drained their savings. Sonia was terrified her family would lose their apartment in the middle of a Maine winter with a newborn. She was devastated that all anyone could tell her to do was to find a job. Even before she had fully healed from birth, Sonia was desperate to get back to work. She could give her baby formula instead of breastfeeding, she said. Her husband could move to night shift and they could take turns watching their children to save on childcare. She could skip her postpartum appointments if they got in the way of her work day. She needed to work. A Paid Family Leave program would not have left Sonia in such dire straits. Instead, she could have maintained most of her income, paid her rent, and spent time healing and bonding with her new child. Sonia is raising 3 Mainers who will go on to participate in our economy and give back to our community. Sonia deserves more - her kids deserve more. Paid Family and Medical Leave promises families they will not be left out in the cold during one of the most important times of their lives.

#### **Patrick's story:**

Patrick worked for many years in food processing when he suffered a serious head injury on the job. He faced repercussions from the injury for years. Between surgeries he would go through months where his doctors could not authorize him to return to work, leaving him without income and unable to collect unemployment. We met Patrick when he came in with a letter from his landlord – an eviction notice. Patrick didn't know what to do. His doctor said he had a few weeks before he could return to work and he wasn't even sure his company would rehire him. While we were able to help Patrick connect to legal counsel and General Assistance, he spent valuable healing time stressing and scrounging to make ends meet. Today, we see Patrick almost weekly at our clinic in Portland – his injury, the eviction, and the stress it has caused has set his career goals back by months. He is just now looking for a new job, registering for English and computer classes, and trying to re-certify to become an accountant like he was back in his home country. A program like Paid Family and Medical Leave would not only have given Patrick time to heal from surgery, it would have kept him housed, reduced the burden on municipal General Assistance, ensured Patrick would have had a job to return to, and given him the peace of mind to grow his job skills and fill needed gaps in Maine's workforce.

## LD 1712 is not a reasonable compromise.

I especially want to address LD 1712 on which I urge the committee to vote ought not to pass. While this bill purports to balance business needs with employee needs, it in fact strips low income workers of needed benefits and jeopardizes workers' due process rights.

### LD 1712 hurts low income workers.

LD 1712 slashes benefits by changing the wage replacement rate to a flat 65% instead of the more equitable formula currently in statute. This change does not present any significant cost savings to employees, employers, or the state, and has a disparate impact on low income workers. If this bill passes, a minimum wage worker would receive a meager \$350 a week to live. Under present statute that same employee would get nearly their entire salary. Department rules adopted last fall have already defined wages in such a way that high earners are paying proportionally less into the program<sup>4</sup>. We cannot support a change that creates deeper disparities between low wage workers reliant on the public program and high wage earners who get more generous benefits through the program or through their job.

The existing statute balances equity with benefit generosity. For individuals who make at or below 50% of Maine's average weekly wage, they get a far more substantial benefit, receiving 90% wage replacement. For any workers who earn more than that, all earnings over this threshold are replaced at a rate of 66% of those wages. This graduated formula means that lower income workers are able to retain a higher percentage of their salaries to support them through their leave, while higher earners also get benefits more reflective of their salaries. LD 1712 leaves low wage workers in the dust, but it also cuts benefits for all workers.

We also know from our experience with unemployment insurance – which has a wage replacement rate of 45-50% – that low benefit amounts may cause people to feel like it's not "worth it" to file, a calculation that puts their economic security at risk. Researchers found this true in California's leave program, and policy makers as a result increased payouts to encourage more low income workers to take leave when they needed it.<sup>5</sup>

<sup>&</sup>lt;sup>4</sup> Department rules cap taxable wages at the social security income limit of  $\sim$ \$150,000 per year, meaning all income over this threshold is not taxed, and high wage earners are paying much less than 1% of their total income. (MDOL Rules 12 .702. Ch. 1 I.A.28)

<sup>&</sup>lt;sup>5</sup> California Center for Budget & Policy, *Paid Leave Program is Out of Reach for Many Californians*. (February 2022) https://calbudgetcenter.org/resources/paid-family-leave-program-is-out-of-reach-for-many-californians/

Cutting wage replacement rates also means employees who are on leave may return to work sooner than they are able, and they may be more likely to seek out a different or more lucrative job to make up their losses from leave. This means businesses may never see the employee retention benefits of PFML if benefits are inadequate.

# LD 1712 strengthens the hardship exemption to the point of making it impossible for individuals to take leave *and* strips claimants of their due process rights.

It's important to recall legislative history – Maine is currently the only state that allows *employers* to claim hardship and deny an employee who is giving birth or caring for a terminally ill spouse or needs chemotherapy the ability to take paid leave. Employers large and small made a number of gains during the Department's rulemaking process, which strengthened the hardship provision in their favor. The existing law already represents a compromise and balance for employers and employees.

LD 1712 allows all small businesses of 15 employees or less the ability to claim hardship and deny leave based on that fact alone. Over 99% of businesses in Maine are small businesses<sup>6</sup>, which means *most* workers' may be denied access to paid leave simply because of where they work. More alarmingly, the bill allows businesses to essentially set their own definition of hardship and says that such decision is not subject to Department review or appealable by an employee. This is an egregious violation of an employee's due process rights and neuters an employee's rightful ability to appeal their workplace's hardship claim. We know most business owners are well-meaning, but we cannot support a provision that eliminates any protections against retaliatory or exploitative companies and gives employers unchecked authority over a worker's ability to take medically necessary leave.

We are also concerned that LD 1712 reduces penalties for employers who do not comply with premium contributions. It does not allow the Department to assess or collect penalties until January 2026, a full year after premium contributions went into effect. It also codifies appeal rights for businesses, while at the same time removing such appeal rights for claimants, deepening the balance of power between an employee with a medical need and their employer.

### Paid Family Leave is a benefit that all workers deserve - no exceptions.

We have the opportunity to build this new program from the ground up - and to include all workers without the historical exclusions that exist in other programs. Farm workers, teachers, and seasonal employees are already not afforded the same rights as other workers when it comes to the minimum wage or unemployment insurance – let's not bake this discrimination into our paid leave program

<sup>&</sup>lt;sup>6</sup> US Small Business Administration, Small Business Economic Profile, - Maine https://advocacy.sba.gov/wp-content/uploads/2022/08/Small-Business-Economic-Profile-ME.pdf

too. It is far easier to ensure equal access to this program for all workers *now*, than to have to reinstate rights in the future.

We strongly oppose LD 952 as it excludes agricultural workers. This committee has already heard from an overwhelming number of constituents over the past few years seeking just and equal rights for farm workers. We cannot let the PFML program overlook these workers too. Farm workers have families and children, they get sick or need time off to care for a loved one just as much as anyone else. Farm workers deserve to build lasting, family-supporting careers. PFML also benefits farm owners, many of whom are small business owners. PFML allows farmers to offer this benefit to their employees and develop workers to have long-term careers in agriculture. Agricultural businesses and workers deserve to benefit from this program.

LD 1712 unfairly exempts seasonal employees by automatically allowing any seasonal business to deny claims due to undue hardship, unchecked by the Department. This leaves seasonal employees unable to benefit from a system they pay into. Seasonal workers are disproportionately low-income, people of color, immigrants and women. They are already discriminated against in the unemployment system that only allows them to collect unemployment insurance during a narrow window of time. People cannot predict when an emergency may take place and seasonal employees deserve to be able to use leave as well, especially because most seasonal employers are not likely to offer such benefits.

In conclusion, we urge the committee to allow Maine's Paid Family and Medical Leave law to be implemented as it is written now, to reject any changes that would compromise worker's ability to get benefits with ease, and to ensure that the most vulnerable workers are not excluded from these vital benefits.