



April 23, 2025

Testimony in SUPPORT of LD 1712, *An Act to Amend the Paid Family and Medical Leave Benefits Program to Balance Support of Businesses and Employees and* LD 1333, *An Act to Make Changes to the Paid Family and Medical Leave Benefits Program*

Senator Tipping, Representative Roeder and members of the Labor Committee, my name is Dirk Gouwens and I am the Executive Director of the Ski Maine Association. We represent the interests of the ski industry in Maine. I live in New Portland Maine and I am here to testify in support of LD 1712, and LD 1333.

These bills are a common-sense measure to correct a program that does not make sense at all when compared to other programs around the country which have been in place for several years and in some cases nearly a decade now. PFML is a necessary and welcome program for Maine residents and we fully support the importance of having a system that will work for both employers and employees well into the future.

Unfortunately, the current program which was signed into law has numerous flaws that need to be fixed to maintain a viable program.

The most obvious flaws relate to the benefit amounts, the ease of obtaining benefits which are ripe for abuse, and the lack of understanding related to the needs of small, seasonal businesses. These bills aim to correct these shortcomings. Please take into consideration the following;

1. In April, 2024, the New York State Comptrollers office conducted a study on the PFML program that was created in 2015 and started accepting claims in 2018. The study looked at the first 6 years of the program 2018-2023.

During that time, the amount of contributions from payroll deductions increased 493% to maintain solvency. It has since "stabilized" at roughly 412% higher than initially envisioned at the inception of the program.

- ***The New York program has a maximum payment of 67% of the employee weekly wage with a maximum payment amount of 67% of the state average weekly wage. Compared to Maine which starts at 90% of weekly wage with a maximum equal to the full average weekly wage.***

Clearly, if history is our guide, the current Maine program has little chance of maintaining solvency in the not-too-distant future unless significant changes are made. The alternative would mean significant increases in premium payments via payroll deductions. Maine taxpayers have a significant tax burden and cannot afford more taxes.

2. The current program allows an employee to apply for benefits immediately upon starting to work provided they have earned at least 6x the average state weekly wage, roughly \$6500. Image a seasonal business that hires an individual, trains them for their job and then just prior to the busiest time of the year for that business, an employee notifies the employer that they want to take the next 12 weeks off using PFML. This is the scenario that ski areas face when they hire the bulk of their season workforce just prior to the Christmas/New Year's holiday period. It is very similar to a summer seasonal business that hires in June for the July 4th holiday period. This is not a workable solution for any seasonal business and these bills address this issue.
 - **The New York program mentioned above address the needs of seasonal businesses by requiring an employee to be employed by the same employer for at least 180 days before applying for leave. This is similar to several other states. LD 1333 is more generous by only requiring 120 days employment to qualify.**
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3. The current program does not allow sufficient safeguards to employers with undue hardship as explained above. LD 1712 more clearly defines the use of undue hardship and allows both employees and employers to easily explain when and how the program can be utilized.