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President of the Senate

THE MAINE SENATE
132nd Legislature

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**Testimony in Opposition of
LDs 406, 539, 575, 952, 1169, 1221, 1249, 1273, 1307, 1333, 1400 and 1712
Joint Standing Committee on Labor**

Senator Tipping, Representative Roeder, and Esteemed Members of the Joint Standing Committee on Labor, my name is Mattie Daughtry. I serve as President of the Maine Senate and proudly represent Senate District 23, including Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth.

I am here today to express strong and unequivocal opposition to the many bills before you that seek to delay, weaken, exempt, or dismantle the Paid Family and Medical Leave (PFML) program enacted in 2023. These bills include:

- **LD 406 & LD 539:** Repeals the entire PFML program before benefits begin, undoing over a year of preparation and requiring potential premium refunds.
- **LD 1273:** Allows employers to opt out, weakening the shared-risk model and threatening the program's financial stability.
- **LD 1249:** Delays benefit access by a full year, requiring workers to pay in without receiving benefits until 2027.
- **LD 1333:** Adds barriers to access and enforcement.
- **LD 952 & LD 1400:** Exempts certain sectors like educators, agricultural, and seasonal workers, leaving thousands paying in but potentially excluded from benefits.
- **LD 1169 & LD 1307:** Suspends contributions or allows broad opt-outs without adequate oversight, risking fund solvency and participation integrity.
- **LD 1221:** Proposes a constitutional amendment to restrict PFML funds—duplicating existing protections.
- **LD 1712:** Undermines the program by cutting wage replacement, weakening enforcement, banning union bargaining, and letting employers deny leave for vague "hardships."

These bills come just months after the PFML program has begun to take shape—and before a single claim has been filed. They do not represent adjustments based on evidence or experience. They represent a reversal of course before the program has had a chance to begin. Some could bankrupt the program or mispend the investments Maine workers are making to be eligible for this benefit.

The law was intentionally designed to take the political gamesmanship out of managing this program by placing oversight with the PFML Authority—a bipartisan, independent body with a fiduciary duty

to the program's success, not to shifting political winds. It's disappointing to see proposals this session that ignore that structure and try to re-politicize decisions that should be made based on data, not ideology.

The Product of a Multi-Year, Bipartisan, Statewide Effort

This program was not crafted lightly. It is the result of years of policy work, stakeholder input through Maine's commission to study PFML, and bipartisan negotiation. For multiple sessions, we've worked with businesses, labor leaders, health care professionals, economic analysts, and workers across Maine to understand what kind of program would be both effective and sustainable.

We examined what has worked—and what hasn't—in other states. We held hearings, reviewed actuarial analyses, and made compromises. The result was a Maine-specific plan with a modest contribution structure, strong administrative safeguards, and the flexibility for private plans to be approved as alternatives.

The law that ultimately passed was not rushed. It was built to reflect the complexity of Maine's economy and the dignity of Maine's workers.

Respecting the Commitment We Made

Payroll contributions began in January. Employers have adjusted their systems, and workers are beginning to understand the promise this program holds—for welcoming a new baby, recovering from surgery, caring for a seriously ill loved one, taking time after a domestic violence incident, or supporting a family member begin a military deployment.

To pull the rug out now—by repealing the program, making it voluntary, or carving out broad exemptions—undermines the commitment this Legislature made to the people of Maine. We built a program with strong guardrails. We owe Mainers stability. And we owe the program a chance to get off the ground.

LD 1712: A Deeply Concerning Rollback That Undermines the Whole Program

While full repeal bills are the most visible threats, LD 1712 may be the most damaging. It doesn't eliminate the PFML program outright—it guts it from the inside out. This bill slashes wage replacement for low-income Mainers, cutting support from a thoughtful tiered system (originally recommended by insurance professionals) with a cap to a flat 65%, while dramatically increasing benefits for the highest earners. It flips the intent of PFML on its head. As soon as someone earns \$95,000, they begin receiving *more* than they would under the current program. And for no good reason. A millionaire under this proposal would receive a \$12,500 weekly benefit—while a low-wage worker may be forced to choose between taking leave or making rent. This program would be more generous to the wealthy than to the very workers it was designed to protect.

Even Social Security includes an income cap to preserve fairness and long-term solvency. PFML was

built to follow that same principle, and it should. Instead, LD 1712 abandons that logic, creating a regressive system funded by those least able to afford it.

The fact that this flat 65% replacement rate would be more expensive than the current program is deeply revealing—it shows that this proposal wasn't backed up with math, and raises serious red flags about the rest of the bill. If this one element wasn't properly vetted, it calls into question whether the other major changes—gutting enforcement, banning union bargaining, and letting employers deny leave for vague “hardships”—were thought through at all. LD 1712 isn't a data-driven refinement; it's a political attempt to weaken the program before it begins, with consequences that working Mainers would be left to bear.

LD 1221: Shared Intent, Existing Protections

I also want to briefly address **LD 1221**, which proposes a constitutional amendment to prevent PFML funds from being diverted to other uses. I share the concern this bill seeks to address. These contributions are not general tax revenue—they are held in a dedicated, segregated fund, and they must be used solely for the benefits and administration of the program.

Fortunately, that protection already exists in statute. The PFML Insurance Fund is structured similarly to a trust fund, and its use is clearly limited. A constitutional amendment is unnecessary at this stage and risks overcomplicating what is already a protected system.

LD 575: Well-Intentioned, But Ill-Timed

I also want to acknowledge **LD 575**, which proposes removing the provision that employees must schedule leave to avoid undue hardship on their employer. I recognize and respect the values behind this effort—it reflects a desire to make PFML more progressive and more worker-centered. And I believe deeply in those values.

However, I must respectfully oppose this bill as well—not because of its goal, but because now is not the time to change the structure of a program that hasn't yet been implemented. The current balance between employee access and employer stability was hard-won. Let's keep it in place until we have real-world data to guide any future changes. Stability and predictability are essential in this moment. As an employer, I have concerns about making substantial changes, now that employees are contributing to the fund and we have set expectations about the program that has already begun, before benefits are even available.

Let the Program Launch. Then Evaluate.

In short: This program will make Maine stronger, healthier, and more economically resilient. I believe it will incentivize families to move to Maine to work. It was designed to sustain itself so the contributions can only go down, never increase. Making any changes without an actuary study are ill-advised. But we cannot know what needs to be fixed until we first give it a chance to function. Now is not the time to redesign the plane, while it is on the runway.

If the program encounters challenges, I will be here—ready to listen, adapt, and improve it. But I urge you not to preemptively weaken or dismantle a program that has been built on years of hard work and broad public support. You will hear advocates outline the polling that shows how popular this program is amongst Maine people; Independents, Republicans, and Democrats.

I respectfully urge the Committee to vote "Ought Not to Pass" on all of these bills and allow the PFML program to move forward as promised.

Thank you for your time and your thoughtful consideration.

President of the Senate, Senate District 23

Brunswick, Freeport, Harpswell, Pownal, Chebeague Island, and part of Yarmouth

The Other Bills Threaten Stability, Equity & Access

LD 1712 (Rep. Roberts): While full repeal bills would do the most direct harm, LD 1712 is among the most concerning proposals this session because it seeks to quietly dismantle key elements of the PFML program—just as implementation is underway.

Key harms:

- **Strips workers of basic protections** by allowing employers to deny leave for virtually any “hardship” — with no right to challenge the decision, no matter how legitimate the need or how long the worker has been contributing.
- **Slashes wage replacement** for low-income Mainers, forcing them to choose between taking leave and making rent — while letting millionaires collect thousands at the same 65% rate, with no cap. It’s a giveaway to the highest earners, paid for by the very workers most likely to skip leave because they can’t afford it.
- **Guts union rights** by banning collective bargaining over PFML contributions — a move that singles out this benefit from every other workplace standard and undermines decades of labor protections.
- **Lets bad actors off the hook** by weakening penalties for noncompliance — opening the door for employers to ignore the law, fail to pay into the system, and leave workers without access to benefits they’ve paid for.

Potential real world impacts:

- **Tate**, a hotel housekeeper in Bar Harbor earning \$35,000 a year, contributes to PFML like every other worker. But under LD 1712’s 65% wage replacement rate, she would lose nearly \$620 a month if she took the leave she’s entitled to. When faced with a necessary surgery, Tate is forced to make an impossible choice: risk her health by returning to work too soon—or fall behind on rent and utilities.
- **Angela**, a single mom working at a small accounting firm, has been paying into the PFML program since January. When her son is hospitalized with a serious illness, she tries to take leave—but her employer claims a “hardship exemption” and denies it. Under LD 1712, she has no right to appeal that decision. Even though she contributed to the program, she’s left without pay, scrambling to choose between staying with her child or keeping her job.
- **Carl**, a line cook at a restaurant, works long hours during Maine’s busy summer season. He’s been contributing to the PFML program just like everyone else. But under LD 1712, because he’s classified as a seasonal worker, his employer could deny him leave if he needs time off for surgery in the late fall—with no guarantee he’ll get the benefit he’s paid into, and no way to appeal. For workers like Carl, LD 1712 means paying into a system they may never be allowed to use.

These Bills Would:

Bill #	What it does
LDs 406, 539	Repeal the entire PFML program. These bills would eliminate the law before benefits begin in 2026, wasting over a year of employer compliance efforts and thousands of staff hours at DOL. Some versions require refunds of already-collected premiums.

LD 1273	Makes the program optional. Allows employers to opt out of participation, undermining the shared-risk insurance model and threatening the program's long-term solvency.
LD 1249	Delays benefit access by a full year. Workers would keep paying into the program through 2026 but would not be able to access benefits until 2027—essentially paying for something they cannot use for over two years.
LD 1333	Erodes worker access and protections through a series of technical rollbacks. This bill adds a new 120-day employment requirement for all workers before they can access paid leave—blocking thousands of seasonal and short-term employees from benefits they've already paid into. It also shortens the application window, weakens job protections for retroactive leave, makes penalties for noncompliance optional, and restricts unions' ability to bargain over PFML premiums.
LDs 952, 1400	Carve out specific sectors —such as public school employees, agricultural workers, and seasonal workers—from the program entirely. These exclusions would leave behind thousands of Mainers who still contribute but may never receive benefits.
LDs 1169, 1307	Suspend or refund employer contributions and allow broad opt-outs for businesses with private plans—without sufficient oversight. This could destabilize the funding structure and allow bad actors to skirt participation.
LD 1221	Proposes a constitutional amendment to restrict PFML funds to benefits and administration. While well-intentioned, this is already covered by statute and could create unnecessary delays and political friction.
LD 1712	Among the most concerning proposals: would quietly dismantle key elements of the PFML program—just as implementation is underway.