



January 27, 2026

## Testimony In Opposition To

### **LD 2018, An Act to Amend the Requirements Governing Self-insurance Plans in the Paid Family and Medical Leave Benefits Program**

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Senator Tipping, Representative Roeder, and Distinguished Members of the Joint Standing Committee on Labor:

My name is Alexander Price, and I am testifying in opposition to LD 2018 on behalf of the Maine Jobs Council, a statewide, nonpartisan, member-driven advocacy organization focused on advancing public policies to support the creation and preservation of foundational jobs in Maine.

We oppose LD 2018 because it would impose new administrative and financial burdens on employers who have already invested significant time, resources, and administrative effort to comply with Maine's Paid Family and Medical Leave (PFML) law. These additional requirements are proposed without evidence of shortcomings in benefit delivery, employee protections, or fund solvency, and at a time when many employers are already struggling to remain competitive.

That concern is particularly acute given the broader economic context. A recent assessment of the competitiveness of Maine's statewide economy by the Porter Development Initiative (PDI) found that Maine's economy is not growing at rates comparable to most other states in the nation. PDI's research revealed that we are among the least productive states in the nation; we create fewer jobs, attract less investment, and start fewer businesses; our wages are low and contrast with higher costs; and we lack many of the hallmarks of a competitive location for talent, jobs, and investment.

Despite these challenges, LD 2018 would impose new requirements without advancing a broader strategy to improve Maine's long-term economic competitiveness. In recent years, employers have faced a growing number of burdensome regulations, including the PFML law, which is already among the broadest and most generous programs in the country. Rather than easing burdens or improving efficiency, this bill would move us in the opposition direction.

Maine's PFML law was intentionally designed to give employers flexibility. Employers can participate in the state plan; enroll in a state-approved, fully insured private plan; or establish a self-insured private plan. For self-insured plans, the statute set two clear requirements: the plan must provide benefits and protections substantially equivalent to the state plan, and maintain a surety bond to guarantee payment of benefits. Employers that meet those requirements are fully compliant.

Employers that choose to self-insure are not seeking to avoid their obligations. They are meeting all statutory requirements through a more efficient, accountable, and cost-effective administrative



structure. The issue before the committee is not adequacy of benefits or employee protection, but cost and efficiency.

LD 2018 would penalize employers that have acted in good faith by layering on new restrictions related to self-insurance and employer cooperation. These restrictions would increase administrative costs, create uncertainty, and force both employers and employees to spend more, without improving benefits. Public policy should encourage compliance and efficiency, not punish it.

Finally, it is important to note that the December 2025 actuarial report identifies no solvency or participation risk that would justify prohibiting employers from cooperating to reduce administrative costs. The report projects a strong and growing PFML fund, with the surplus expected to more than double over the next decade, while assuming stable premium rates and broad employer participation.

Individual pieces of legislation, like LD 2018, are not the solution to solving our state's economic problems. We encourage this committee to start taking a more comprehensive look at how workforce challenges, taxes, regulations, infrastructure, and other issues act as a barrier to job creation in our state. If Maine is not a competitive and productive place for businesses, workers, and families, its economic plans and efforts will falter. Maine needs to develop a comprehensive, integrated, and strategic plan that focuses legislation, regulation, and public policy on talent attraction, investment, and job creation.

The MJC thanks the committee for its time and consideration of this issue, and we would welcome any opportunity to discuss it with you.

Thank you,

Alexander Price, Pierce Atwood  
On behalf of the Maine Jobs Council