

Testimony of Treeline, Inc.

Opposing LD 2018 (HP 1348)

“An Act to Amend the Requirements Governing Self-insurance Plans in the Paid Family and Medical Leave Benefits Program”

Senator Tipping, Representative Roeder, and Members of the Committee:

My name is Scott Welch, and I am speaking on behalf of Treeline, Inc., a Maine-based, family-owned logging, trucking, manufacturing, property management and retail sales company that has operated in this state for 40 years. I am here to testify in opposition to LD 2018.

Treeline has a history of success based upon sound business decisions and diversification. Starting in the logging industry, we have branched out into a number of diversified business ventures that are demonstrative of our resilience as a small business, starting with one employee, a chainsaw and horse to now employing 95 employees – we have done so by operating our business in an efficient and responsible manner; maintaining costs and paying good wages and benefits to our employees.

We too have a long and successful history of self-insurance. We are self-insured for medical benefits and are a member of the Forrest Products Group collaborative for our workers' compensation coverage. This model has allowed us to responsibly manage costs, maintain compliance, and tailor benefits to the needs of our workforce while remaining financially stable and competitive in Maine.

When Maine enacted the Paid Family and Medical Leave law, Treeline also made a good-faith decision to comply through the self-insurance route. That process was neither quick nor easy. We invested significant amounts of time, legal resources, and administrative effort to meet every requirement set by the Department of Labor. We too secured our bond, filed all required documentation, and built internal systems to ensure compliance with the law as written.

MDOL's order to unwind the Trust created uncertainty and unnecessary expense for Treeline. It put an undue burden on our administrative team and caused confusion with our work force. Ironically, our tax dollars are still being used in ways that harm our businesses and employee's wages and benefits. In effect, the MDOL made up a legal requirement and used tax dollars to force Mainers to spend an enormous amount of time and money in an effort just to be treated fairly, which now would be codified by LD 2018. This is certainly not in the spirit of supporting small businesses in Maine and making Maine a more attractive place to do business.

There is no rational basis for prohibiting employers from utilizing a Cooperative to meet PFMLA requirements. On the contrary, group administration reduces costs, promotes compliance, and ensures sustainability.

A private sector alternative would allow Mainers to choose the most cost-effective method of legal compliance. LD 2018 would negate these efforts by increasing costs, and creating uncertainty for employers who have acted responsibly and in good faith.

For these reasons, Treeline, Inc. respectfully urges the Committee to oppose LD 2018.

Thank you for the opportunity to testify, and I would be happy to answer any questions.

Respectfully submitted,

Scott A. Welch

Treeline, Inc

Chester, Maine