

Senator Hickman, Representative Sylvester and members of the Joint Standing Committee on Labor and Housing. My name is Greg Dugal and I am submitting testimony today representing Hospitality Maine neither for, nor against LD 1559, which is a resolve to create a commission to develop a paid FMLA benefits program. We have supported the idea of studying paid FMLA in the past when bills were put forth to create this benefit and amended to be something similar, so we applaud this effort, but with some reservations.

This resolve, however, is a little different as it seems to create the program before completing the study to see if it is viable. The State of Maine will not be able to have a program on their own, because there will be sporadic participation based on the employee contribution aspect of this and because of that there is no idea how much money will find itself into the coffers of the program to pay for benefits. Prior discussions were based on the additional participation of one or two other states. We believe the study needs to be conducted to determine the feasibility of the program prior to the discussion of implementation, to see if the critical mass to be successful is there.

To that end, these words in this proposed legislation give us pause. Develop a plan to implement a paid family and medical leave benefits program by consulting with other states that have established paid family and medical leave benefits programs. It hasn't even been vetted yet.

There is also movement at the Federal level to create a program through the US Congress supported by the Biden administration. Whatever the Feds do should be carefully scrutinized and potentially deferred to, because the Federal government has the fiscal capability to operate a program of this size over all 50 states and potentially absorb some of the tremendous financial risk that will go with a similar program. Actuarial information is critical to the success of this program at any level.

Thank you for your consideration and remember that small businesses and state government are just getting used to the nuances of the earned paid leave statute, so our humble request is that you tread lightly and do the appropriate research to real answers to the many questions.

Gregory Dugal
HospitalityMaine

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