



**RETAIL
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MAINE**
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May 7, 2021

Senator Craig Hickman, Chair
Representative Michael Sylvester, Chair
Members of the Labor and Housing Committee

RE: Testimony NEITHER FOR NOR AGAINST 1559, Resolve, To Create the Commission to Develop a Paid Family and Medical Leave Benefits Program

Dear Senator Hickman, Representative Sylvester and members of the Labor and Housing Committee:

My name is Curtis Picard and I am the President and CEO of the Retail Association of Maine. I am a resident of Topsham. We have more than 350 members statewide and represent retailers of all sizes. Maine's retailers employ more than 85,000 Mainers.

The Retail Association of Maine is testifying neither for/nor against LD 1559. Our understanding is that LD 1559 is based on an amended version of last session's LD 1410, although we don't know if this amended version was ever widely discussed. LD 1410 got tangled up in the abrupt adjournment last year, and a brief summer meeting of this committee.

We are glad that LD 1559 would require an actuarial study as we think that is imperative for the establishment of any insurance program which is truly what a paid family leave program would be. However, we are a little concerned that the resolve is fairly prescriptive to create a program regardless of what the actuarial study shows. Instead, we would suggest the committee look at LD 1587 (also sponsored by Senator Daughtry) from the 128th session. LD 1587 detailed a number of scenarios that will be helpful in crafting a useful actuarial study:

- 1. Cost estimates for a series of policy scenarios for employers in the State, using a variety of eligibility criteria and participation rates;*
- 2. Use of a simulation model or other similar method that estimates leave-taking behaviors for workers and the characteristics of the types of leave they will take under different policy scenarios;*
- 3. Examination of how each policy scenario will affect workers' leave-taking decisions and how each policy will affect different groups of workers;*
- 4. Calculations of weekly premiums to be paid by workers under each policy scenario;*

5. *Calculations of start-up and administrative costs to the State to operate a paid family leave program;*
6. *Assessment of any financial benefits to the State as a result of implementation of a paid family leave program;*
7. *Consideration of a paid family leave program model that mandates participation, including the following 4 scenarios:*
 - A. *All employers;*
 - B. *Employers who employ more than 50 employees;*
 - C. *Employers who employ more than 25 employees; and*
 - D. *Employers who employ more than 15 employees;*
8. *Consideration of a paid family leave program model in which participation is voluntary, including the following 2 scenarios:*
 - A. *A low-participation model at 35% voluntary participation; and*
 - B. *A high-participation model at 70% voluntary participation; and*
9. *Inclusion of the following assumptions in analyses of each scenario described in subsections 7 and 8:*
 - A. *Benefits will be allowed for up to 66% of an employee's or self-employed person's earnings, to be capped at the same weekly maximum amount as permitted for unemployment benefits claims;*
 - B. *Benefits will apply for 8 weeks during a 12-month period, with additional unpaid leave available pursuant to state or federal law; and*
 - C. *Benefits will be awarded for leave consistent with family medical leave as defined in the Maine Revised Statutes, Title 26, section 843, subsection 4, except that leave will also be available for the serious health condition of a parent-in-law and for the death or serious health condition of a parent-in-law while that parent-in-law is on active duty with the military.*

To her credit, Senator Daughtry has taken an approach of establishing a commission comprised of legislators and representatives of employers and those who advocate for employees.

As a small employer, we are currently exempt from the 15+ employee requirement of Maine's FMLA law. However, as a father and an employer who feels like my co-workers are my extended family, I strongly support family-friendly workplaces and I do whatever I can to accommodate the needs that arise. When one of our employees welcomed a new baby to their family, we provided up to 10 weeks of unpaid leave even though we were not required to. However, the reality is that we lost a significant percentage of our workforce for almost three months. It would be different if it was one employee out of 100, but this was one employee out of 3, and this is not someone who was replaceable by a temporary worker. Instead, we pulled together and relied on our existing staff to get the job done, but it was a challenge. I offer that example because it is important to not only examine the benefits for the employee taking leave, but also for the impact on the employer having to deal with an extended absence.

In closing, this is a worthy discussion and we are happy to provide input where we can. I thank you for your time and I'd be happy to answer any questions or provide any additional information you may need.

Thank you for the opportunity to share our thoughts.

Sincerely,

Curtis Picard, CAE
President and CEO