

Maine County Commissioners Association

4 Gabriel Drive, Suite 2 Augusta, ME 04330, 207-623-4697 www.mainecounties.org

LD 1964, An Act to Implement the Recommendations of the Commission to Develop a Paid Family and Medical Leave Benefits Program

June 1, 2023

Chair Tipping, Chair Roeder, and Members of the Joint Standing Committee on Labor and Housing, my name is Stephen Gorden and in addition to serving as a member of the board of commissioners for Cumberland County, I am writing today in my role as chair of the legislative policy committee of the Maine County Commissioners Association. We appreciate the opportunity to provide belated testimony to the Committee <u>neither for nor</u> <u>against</u> LD 1964.

About MCCA. Briefly, the Maine County Commissioners Association was established in 1890 to assist Maine's county government in providing vital services to Maine citizens in a responsive, efficient, and credible manner. The Association is based in Augusta, represents all 16 of Maine's counties, and is governed by a board with representation from each participating county.

What does LD 1964 do? LD 1964 implements a paid family and medical leave benefits program based on the recommendations of the Commission to Develop a Paid Family and Medical Leave Benefits Program established by the 130th Legislature. The program provides up to 12 weeks of family leave and up to 12 weeks of medical leave to eligible covered individuals. Under the program, an individual is eligible for leave after earning at least six times the state average weekly wage (currently about \$6,000) in the preceding calendar quarters prior to submitting an application or if the individual is self-employed and has elected to be part of the program. The maximum weekly benefit amount is capped at 120% of the state average weekly wage.

In addition, this bill establishes the Paid Family and Medical Leave Insurance Fund to support the program. The funds for administrative costs and payment of benefits come from payroll contributions of no more than 1% of wages shared by employers and employees, except that as currently drafted, employers with fewer than 15 employees are not required to make employer contributions to the program. Further, the bill establishes the Paid Family and Medical Leave Benefits Authority to advise the administrator on the implementation and administration of the program. The bill requires payroll contributions to begin January 1, 2025, and benefit claims to be processed beginning January 1, 2026.

Discussion. As a general matter, MCCA supports whatever decision the citizens of Maine and the Legislature make in regard to whether or not to implement a paid family and medical leave program. Additionally, some Maine counties offer their employees a voluntary "income protection" program where employees may make contributions to the program and receive income for periods of time when they are out on qualifying leave.

The program described in LD 1964 is more expansive than programs currently in place for county government, and the program would involve employer contributions. In this regard, LD 1964 would add new benefits to county employees and new costs on county government, costs that would be borne by local property taxpayers.

Given the impact on Maine property taxpayers, we encourage the Committee and full Legislature to make sure that the full costs of the program are known and understood before passing the bill.

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Conclusion. We appreciate the opportunity to provide information on this bill to the Committee, and if you have questions or need additional information, please do not hesitate to let us know.

Respectfully submitted,

Stephen & Borlin

Stephen Gorden Chair, Legislative Policy Committee

cc: Commissioner Richard Dutremble, President, MCCA James I. Cohen, Verrill Dana, LLP, MCCA Legislative Counsel