

May 25, 2023

Senator Tipping
Representative Roeder
Distinguished Members of the Joint Standing Committee on Labor and Housing
100 State House Station
Augusta, ME 04333

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

Senator Tipping, Representative Roeder, and Distinguished Members of the Joint Standing Committee on Labor and Housing my name is Matt Marks, I am a Principal at Cornerstone Government Affairs and here on behalf of AGC Maine.

AGC Maine is concerned with the amended version of LD 1964 and recommends Maine explore a voluntary program before enacting the bill as presented. New Hampshire’s law was the first in the nation voluntary program in conjunction with a private partnership. Vermont announced its program in 2022, and like New Hampshire, the voluntary program allows for 60% wage replacement. Both plans provide six weeks of coverage, Maine places an additional challenge at twelve weeks and 90% or 75% of wage replacement.

Below are our primary concerns about the bill as drafted:

- The definition of covered individuals in §850-A definitions, included in G, covers individuals with a “significant personal bond.” The definition is not clear or verifiable and should be excluded.
- Intermittent leave requirement should be included in the total amount of leave.
- In §850-D ineligibility cases will be difficult to determine given the broad allowance under this law. Additionally, it’s not clear how the Administration would address any penalties or action when a misrepresentation occurs, while it prohibits an individual providing a false statement or misrepresentation from participating for one year, it doesn’t address the associated business losses. The grievance process should include additional legislative directives for rulemaking.
- It’s not clear with available data if the administrative costs set at 5% reflect the potential costs.
- Wage replacement should be lowered and be like that of New Hampshire and Vermont.
- Twelve weeks is extensive, it places a risk on many businesses that are struggling today to find eligible workers and operate shorthanded. As mentioned, our neighboring states allow six weeks.
- As stated, we believe voluntary participation should be the directive and we oppose the mandatory tax to both employers and employees. Additionally, the arbitrary decision on the small employer definition of fifteen workers should be adjusted to the SBA or another relevant standard.

- The substitute of private plans includes a provision in F that restricts plans that are not aligned with any benefits outlined in the proposed law. Given the vague definition of significant personal bonds, it appears that will be a barrier to utilizing existing plans.
- §850-K 2, disallows a change in employment status for anyone who applies and qualifies for PFMLA. However, it's not clear how it would address unrelated decisions to the application, timing, or duration of that restriction.
- The implementation schedule is aggressive for a mandatory plan and should be at least one additional year to allow for proper rulemaking, implementation, and the collection of funds to ensure solvency.

I want to thank the members of the Committee for their time and am pleased to answer any questions, thank you.