



DATE: May 25, 2023
TO: Committee on Labor and Housing
FROM: Samantha Warren, UMS Director of Government & Community Relations
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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: I am writing on behalf of the University of Maine System (UMS) to inform your consideration of LD 1964, *An Act to Implement the Recommendations of the Commission to Develop a Paid Family and Medical Leave Benefits Program*.

With 5,200 regular employees, 2,400 temporary staff and 6,200 student workers in 2022, **UMS is one of the state's largest employers.** Consistent with our commitment to offer wages and benefits that value our employees and foster their recruitment and retention, **the System already offers leave benefits that are widely considered competitive and fair.** Consistent with MRSA Title 26, Chapter 12 (UMS Labor Relations Act), we maintain that collective bargaining agreements are the most appropriate forum for determining the wages, benefits and working conditions of UMS employees.

Across our six bargaining units (as well as for non-represented employees), **specific paid leave allocations vary. These vital benefits have been negotiated based on the priorities of employees** and their representatives, and the fiscal resources and operational needs of UMS as a public employer with important statewide responsibilities as Maine's largest education and economic development enterprise.

For example, System faculty receive 20 days (four weeks) of paid family, sick or disability leave upon hire, earn one and two-thirds additional paid days each month after their first year of employment, and are able to accrue up to 180 days (36 weeks). Additionally, faculty earn one and two-thirds paid annual leave days during their first 15 years of service, and two days each month thereafter, with a total of 40 unused annual leave days (eight weeks) available to be carried over from year-to-year. Most UMS bargaining agreements allow employees to be on an approved leave of absence for up to a full year, with the expectation that paid leave be exhausted before unpaid leave is taken. Furthermore, faculty are entitled to regular sabbaticals of up to one academic year at half pay or half the academic year/one semester at full pay, during which they continue to accrue additional annual and sick/family leave.

Despite these relatively generous leave benefits, our initial analysis suggests UMS would not likely receive approval to meet the obligations of the proposed program through its current private plan. This has significant fiscal impacts on our System, but perhaps of greater concern, could have operational impacts on our public universities' ability to deliver education, research and service to our students and the state. As we currently understand the proposal, our employees could potentially stack their existing benefits with the expansive new ones offered under this program, and thus, take paid family/medical leave for up to 64 weeks. This 64-week calculation is based on the maximum 36 weeks that can be earned through the existing faculty CBA, plus 12 weeks provided in

Year 1 and 12 weeks provided in Year 2 by the new State plan, plus four additional weeks provided by UMS accrued over the period of the paid family/medical leave but does not factor in other paid annual leave.

As you know, **UMS relies on revenue from two primary sources: State appropriation and student tuition and fees.** When adjusted for inflation, our State appropriation has actually declined over the past decade, and during that same period, we have held tuition flat seven times. Were the .5% payroll contribution proposed by LD 1964 be required from UMS, we would need at least \$1.6 million in new appropriations (based on taxable wages of \$322.9 million in 2022) — an amount approximately equal to a 1% tuition increase for Maine students and their families. UMS would also need additive State funding to hire at least three additional human resources employees to administer the program across the System and fulfill reporting responsibilities.

UMS benefits professionals continue to work to understand the intention and implementation of some provisions of LD 1964. For example, the bill uses a far more expansive definition of employee than is elsewhere in State and federal statute, including the Family and Medical Leave Act and that governing Maine's unemployment insurance and recently enacted paid leave. Given this, we assume the program would be inclusive of many of our temporary and student workers, including those who are funded through federal work study, from which only federal and state taxes — and not FICA and other contributions — can typically be deducted.

We look forward to learning more about LD 1964, specifically about the Legislature's plan to support State entities like UMS pay for and administer the new benefit in a way that does not require us to reduce essential public services, increase student tuition costs or constitute an unfunded mandate. We appreciate that some details will be determined through rulemaking, but especially seek legislative clarity on stackability.

In the meantime, please know that **UMS has long seen the value of providing our employees meaningful paid leave** so they can attend to their family and medical needs. Not only do faculty and staff and their loved ones directly benefit, but our universities benefit through increased employee satisfaction, productivity and less turnover, and our students and state benefit by our ability to retain world-class faculty and staff right here in Maine. For these reasons, **we are committed to being part of conversations with the Legislature, our employees' bargaining agents and other stakeholders to develop this mandatory statewide benefits program in a way that is workable for all.**

Thank you for your thoughtful consideration of this important legislation. Please let me know what additional information I can provide on behalf of Maine's public universities in advance of your work session.