

Testimony in Opposition to LD1712 and Related Legislative Proposals **Committee on Labor Public Hearing** April 23, 2025

Submitted by Nat Baldino, Policy Analyst, on behalf of The Center for Law and Social Policy

Senator Tipping, Representative Roeder, and Honorable Members of the Labor Committee,

Thank you for the opportunity to provide a public comment on LD1712 and related legislative proposals, which would significantly weaken Maine's paid family and medical leave program. The Center for Law and Social Policy (CLASP) is a national, nonpartisan, nonprofit advancing anti-poverty solutions that remove barriers blocking people from economic security. We work at both the federal and state levels and have long worked with state administrators of paid family and medical leave programs. We've contributed to the rulemaking process, facilitated a cross-state learning community of administrators, and regularly provide technical assistance to paid leave agencies, including Maine's.

We are writing today in strong opposition to the current slate of legislative proposals concerning paid leave, especially LD1712, "An Act to Amend the Paid Family and Medical Leave Benefits Program to Balance Support of Businesses and Employees." Contrary to its title, this proposal, along with LDs 406, 539, 952, 1169, 1249, 1273, 1307, 1333, and 1400 would harm workers and employers alike by systematically targeting the efficacy, integrity, and even existence of the paid leave program.

Targeting the Program's Existence

All people will need time to care for themselves and their loved ones at some point in their lives. Maine recognized this and, building off the lessons learned from the 10 successfully operational state paid leave programs, passed a comprehensive paid leave program that will benefit Mainers. Proposals LD406, LD539, and LD 1273 repeal the paid family and medical leave program altogether. This puts working Maine families at risk of once again joining the over 8 million leaves that are needed but not taken each year in the US.¹

Targeting the Program's Integrity

The Maine Department of Labor has worked tirelessly to stand up the strong paid family and medical leave program that is supported by your constituents. Starting January 1st, 2025, employers in Maine began paying contributions in preparation of the rollout of benefits in 2026. This is well in line with

¹ Emily Andrews, Sapna Mehta, and Jessica Milli, "Working People Need Access to Paid Leave," The Center for Law and Social Policy, September 25, 2024, <https://www.clasp.org/publications/report/brief/working-people-need-access-to-paid-leave/>

successful state paid leave programs. Most states have required two to three years rollout time from enactment.² Delaying implementation to 2027 would move Maine out of step with best practices while simultaneously costing Mainers.

These proposals also target the program's integrity by reducing the contribution rate. Contribution rates are necessary to ensure financial solvency, and Maine's current 1% is well within the 0.14% - 1.3% range of other programs. Any reduction will risk the program's financial integrity before it even begins.

The final attack on the program's integrity is the attempt to make participation voluntary. A paid leave program where employees must hope they are lucky enough to have a boss that will opt-in is not a true social insurance program. Voluntary programs like New Hampshire's have shown low participation rates, with less than 2 percent of the state's private sector workers covered.³ Higher-paid employees who already have private leave benefits from their employers are more likely to have high-road employers who would opt in, leaving behind small business owners and workers at large companies looking to cut corners at the expense of workers. A voluntary program is not an equitable or meaningful form of paid leave.

Targeting the Program's Efficacy

For a paid leave program to make a meaningful difference in the lives of Mainers, it needs to align with the standards set by other state programs. This means that the program must be universal, inclusive, accessible, and affordable. In the current slate of legislative proposals, we urge you to follow best practices:

- **Allow the program to actually be used.** Several proposals would make the program unusable to most workers. Requiring waiting periods of up to four months and requiring that workers use all their unpaid leave first ensures that, when faced with a health emergency, workers will suffer. In fact, California and D.C. removed their waiting period for benefits.⁴ The legislation's intention is for the program to be used for workers who are in need. Waiting periods should only be administratively necessary and guarantee prompt delivery of benefits.
- **Keep paid leave available to all workers.** All Mainers will need time to care for themselves or loved ones. Harmful carveouts for small businesses, seasonal workers and public educators will leave Maine's most vulnerable workers behind.
- **Ensure an affordable wage replacement.** Unaffordability is the main reason workers do not take needed leave.⁵ Without sufficient wage replacement, 67 percent of workers report facing challenges making ends meet.⁶ Instituting a flat rate would mean that the lowest-paid workers simply could not afford to take time off, making the program inaccessible for those who need it most. A flat rate would also put Maine's program at odds with its peers like Washington, Oregon, Colorado, Maryland, and Washington, D.C., who all have a progressive wage replacement rate that provides the lowest-paid workers at least 90 percent of their wages.

² A Better Balance, 2024. Paid Leave Program Implementation Timelines. https://www.abetterbalance.org/wp-content/uploads/2021/07/Paid-Leave-Program-Implementation-Timelines_3.16.23.pdf

³ New Hampshire Paid Family and Medical Leave, "Annual Report: Implementation and Year 1 2021-2023," June 2024. <https://www.paidfamilymedicalleave.nh.gov/sites/g/files/ehbemt781/files/documents/nh-pfml-2023-annual-report.pdf>

⁴ D.C. Act 24-159, Fiscal Year 2022 Budget Support Emergency Act of 2021 (D.C. 2021)

⁵ Wage and Hour Division at U.S. DOL, Family and Medical Leave Act, U.S. Department of Labor, <https://www.dol.gov/general/topic/workhours/fmla>.

⁶ Scott Brown, Jane Herr, Radha Roy, et. al., "Employee and Worksite Perspective of the Family and Medical Leave Act: Results from the 2018 Surveys," Abt Associates, July 2020, https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WHD_FMLA2018SurveyResults_FinalReport_Aug2020.pdf

- **Protect worker rights.** Expanding employers' undue hardship exemptions would be unprecedented in the history of paid leave programs, and create a lopsided program where employers have full decision-making power over the health of their workers. Medical professionals, not employers, should be the ones deciding if a worker has a qualifying leave event. Further, LD 1712 would remove the right of appeal for workers, giving employers more power than the agency itself in determining how the program works.

We urge the Committee to protect Maine's program and to reject these harmful assaults on Maine's working families. The program as originally written can make a true difference for workers who need it but can only do so if the Committee takes up the charge to care for its constituents.

Sincerely,

Nat Baldino, Policy Analyst