



April 10, 2023

The Honorable Janet Mills  
Governor  
1 State House Station  
Augusta, ME 04333

*RE: Small business support for a paid family and medical leave program in Maine*

Dear Governor Mills:

As a representative of Maine's small business community, Small Business Majority writes today to urge you to pass a state-run paid family and medical leave program for Mainers. Such a program would allow small businesses to access and offer this benefit for their employees, helping them overcome obstacles in attracting and retaining a ready workforce.

Small Business Majority is a national small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to advocate for public policy solutions and deliver resources to entrepreneurs that promote equitable small business growth.

It's no secret that new and emerging small businesses have a variety of costs and unexpected expenses that prevent them from hiring employees in the beginning. And even seasoned entrepreneurs can tell you that while they would like to hire full-time help and provide robust benefits, this is often a costly endeavor to undertake.

One way to boost Maine's small business community is by creating a state-administered paid family and medical leave program. A recent legislative commission recommended a proposal which would provide up to 16 weeks of family and medical leave with partial wage replacement. The program would be financed through a 1% payroll tax split between employers and employees, making it easier for employers to afford and implement this benefit. It would, in turn, level the playing field for small businesses by allowing them to compete on more equal footing with larger businesses that typically have the resources to offer robust benefits.

In addition, any program should make concerted efforts to aid and support the smallest businesses in Maine. We support the commission's recommendation to exempt firms with 15 or fewer employees from the program's payroll tax, which would still allow their employees to participate in the program. Meanwhile self-employed individuals, who would be eligible for the benefit, would only pay half of the payroll tax. This would remove the burden from 151,000 Maine employers that struggle to afford paid family leave on their own and help them attract and retain talented employees.

Importantly, paid family and medical leave programs are strongly supported by the small business community. According to a Small Business Majority survey, 73% of small business owners support providing access to paid medical leave and 67% support access to parental leave.

Legislators can play a critical role in providing necessary access to paid family and medical leave, which will level the playing field for Mainers and small businesses alike. We urge you to pass this legislation to support Maine's entrepreneurs and help small businesses access qualified workers.

Sincerely,

David Chase  
Vice President, Policy & Advocacy