

**STATEMENT FOR THE RECORD BEFORE THE JOINT STANDING COMMITTEE
ON LABOR AND HOUSING ON LD 1964: ACT TO IMPLEMENT
RECOMMENDATIONS TO DEVELOP A PAID FAMILY AND MEDICAL LEAVE
BENEFITS PROGRAM**

May 25, 2023

David Chase

Vice President, Policy & Advocacy, Small Business Majority

Thank you Senator Tipping, Representative Roeder and members of the Labor and Housing Committee:

My name is David Chase and I am the Vice President of Policy and Advocacy at Small Business Majority, 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.

As a representative of many of Maine's small businesses, I am pleased to offer testimony on LD 1964, legislation to implement the recommendations of the Commission to Develop a Paid Family and Medical Leave Benefits Program in Maine. Enacting this program would allow Mainers and local small businesses to access and offer this benefit for their employees, helping them overcome obstacles in attracting and retaining a ready workforce.

We know from our research that small businesses want to offer robust benefits like paid family and medical leave, they often can't afford to do so on their own, putting them at a competitive disadvantage with larger companies. In fact, a [Small Business Majority survey](#) found that 73% of small business owners nationwide support providing access to paid medical leave and 67% support access to parental leave. And a recent survey by Pan Atlantic [Research](#) reported that 89% of Maine small business owners/managers support the creation of the state-run program.

While our nation has yet to pass a comprehensive national paid family and medical leave program, many states are creating their own programs to fulfill the needs of their small businesses and workers. In fact, 13 states and Washington, D.C. have already created these programs. The vast majority of small employers in states where these programs were implemented reported positive effects on productivity and increased employee morale. Businesses in these states also reported an increase in employee retention once their employees gained access to paid family leave, as employees are now less likely to quit their job to handle a medical or family issue. Keeping employees employed means businesses do not have to spend additional time and money recruiting and training new employees. Lastly, paid leave has boosted labor force participation, which is important now given ongoing workforce shortages.

A state-administered paid family and medical leave program in Maine would provide up to 16 weeks of family and medical leave with partial wage replacement. This program would address the unique needs of local Maine small businesses and set a modest contribution fee of 1% in premiums, which can be equally split between employers and employees. Small businesses with less than 15 workers are not required to pay the premium at all, which would benefit nearly 98% of all small businesses in Maine, including the self-employed. In addition, self-employed Mainers can elect to participate in the program and would only pay 0.5% of the required premium fee.

The Paid Family and Medical Leave Benefits Program you are discussing today is one of the most small-business friendly paid leave programs in the nation, and we are encouraged by your ongoing support of making this proposal a reality. Enacting this sensible paid family leave program will make it easier for small businesses to afford and implement this benefit into their overall compensation offers and help level the playing field by allowing them to compete on more equal footing with larger businesses that typically have the resources to offer robust benefits.

We urge you to pass this legislation to support Maine's entrepreneurs in their efforts to operate on a level playing field.

Sincerely,

David Chase
Vice President, Policy & Advocacy
Small Business Majority