

**The Maine Heritage Policy Center
Testimony Against LD 369
“An Act To Support Healthy Workplaces and Healthy Families by
Providing Earned Paid Sick Leave to Certain Employees”**

Senator Bellows, Representative Sylvester, and members of the Committee on Labor and Housing, my name is Jacob Posik and I serve as Director of Communications at the Maine Heritage Policy Center. Thank you for the opportunity to speak in opposition to [LD 369](#).

The Maine Heritage Policy Center is concerned that this proposal will impose significant costs on our business community, particularly small businesses with between 5 and 100 workers that make up about 40 percent of all businesses in our state and account for the majority of jobs.¹

Maine is already viewed as one of the worst states for business in the nation (we’re 45th, according to a recent CNBC ranking)², and adding a paid leave mandate on employers with as few as 5 employees, as well as an unpaid sick leave requirement for even smaller businesses, would further damage our competitiveness relative to other states.

We are also concerned that this legislation would be vulnerable to fraud and abuse, particularly since employers may be reluctant to take disciplinary action against employees because of the presumption of retaliation enshrined in section 10. It is well-established that the federal Family Medical Leave Act, whatever its merits, has encouraged some workers to misrepresent their family obligations and exaggerate the severity of health issues in order to take unpaid leave.³ Under a paid sick leave program, it is reasonable to expect that this sort of abuse would be even more widespread, hurting the productivity and profitability of businesses.

The claims that paid sick leave mandates actually boost businesses’ performance are specious and misleading. Some employers may indeed find it wise to offer paid sick leave benefits, as many do even without this legislation. But if offering these benefits were always advantageous

¹ U.S. Census Bureau
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=BP_2016_00A2&prodTtype=table

² CNBC <https://www.cnbc.com/2018/07/10/americas-top-states-for-business-2018.html>

³ Heritage Foundation <https://www.heritage.org/jobs-and-labor/report/use-and-abuse-the-family-and-medical-leave-act-what-workers-and-employers-say>

for businesses, there would be no need for this law because every employer would be offering it already.

In reality, a paid family leave program would be burdensome to businesses. It's easy to see how losing an employee, especially one with supervisory responsibilities, can disrupt business operations. The need to re-allocate personnel, hire temporary workers, train existing staff, or make other changes to fill the void is time-consuming and expensive.

Not only would the upfront costs of this program be substantial, but its unintended effects could hurt those it seeks to help. Given the inconvenience of losing a worker on sick leave, employers would be incentivized to avoid hiring individuals who seem more likely to their sick leave benefits than others. Economist Jonathan Gruber found that programs similar to the one proposed shifted nearly the full cost of these mandates to the wages of the targeted group, undermining any benefits received.⁴

For these reasons, I urge you to reject this proposal. Thank you.

⁴ https://www.ssc.wisc.edu/~scholz/Teaching_742/Gruber_Maternity.pdf