Maine Forest Products Council

The voice of Maine's forest economy

Testimony In Opposition to LD 2018
"An Act to Amend the Requirements Governing Self-insurance Plans in the Paid Family and Medical Leave Benefits Program"

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Good afternoon, Senator Tipping, Representative Roeder and distinguished members of the Labor Committee. My name is Krysta West. I am a resident of Readfield, and I serve as the Executive Director of the Maine Forest Products Council. I am providing testimony on behalf of our members in opposition to LD 2018, "An Act to Amend the Requirements Governing Self-insurance Plans in the Paid Family and Medical Leave Benefits Program."

For 65 years, the Maine Forest Products Council has served as the voice of Maine's forest economy, representing hundreds of members from all facets of the forest products industry. Our members include pulp and paper mills, sawmills, secondary wood processors, foresters, loggers and truckers. We also represent commercial landowners sustainably managing more than 8 million acres of forestland.

Together, this industry remains one of Maine's largest economic engines, sustaining 29,000 jobs spread across all 16 counties, anchoring rural communities, and contributing $8.3 billion to the state's economy. When forest products businesses struggle, entire regions of Maine feel the impact.

We recognize and respect that this Committee played a central role in establishing Maine's Paid Family and Medical Leave program. With the benefits-side of the program set to launch in May, our members are committed to complying with the program in a responsible and sustainable way.

LD 2018, however, presents a challenge for many employers in our sector. The bill would prohibit employers with private self-insured PFML plans from pooling risk, financial resources, or administrative services. For small and mid-sized forest products businesses, which make up a significant portion of our membership, the ability to share administrative functions is not a workaround; it is the only practical way to manage costs while staying competitive in a global market.

Pooling is a standard, cost-effective practice used across industries to avoid duplicating the same administrative systems over and over. Removing this option forces each employer to build and maintain their own standalone administrative structure. That shift increases overhead without improving benefits, and it diverts resources away from wages, training, safety investments, and other supports that directly benefit workers.

Compliance with this new program must remain feasible for the businesses that keep Maine's forest economy strong. LD 2018 makes compliance more expensive, less predictable, and less efficient — outcomes that ultimately weaken the very communities the PFML program is meant to support.

For these reasons, we respectfully urge the Committee to vote 'Ought Not to Pass'.

Thank you for your time and consideration.