



128th MAINE LEGISLATURE

LD 701

LR 14(01)

An Act To Establish the Maine Paid Family Leave Insurance Program

Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Daughtry of Brunswick

Committee: Labor, Commerce, Research and Economic Development

Fiscal Note Required: Yes

Preliminary Fiscal Impact Statement

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$34,182,012	\$1,817,818	\$1,860,534	\$1,904,959
Appropriations/Allocations				
General Fund	\$34,182,012	\$1,817,818	\$1,860,534	\$1,904,959
Other Special Revenue Funds	\$500	\$500	\$500	\$500

Fiscal Detail and Notes

The Regulation and Enforcement program within the Department of Labor will require General Fund appropriations totaling \$34,182,012 in fiscal year 2017-18 and \$1,817,818 in fiscal year 2018-19 to establish and administer the Maine Paid Family Leave Insurance Program. Of this amount, \$33,800,000 in fiscal year 2017-18 and \$550,000 in fiscal year 2018-19 is required to develop and support a system that will receive contributions from and make benefit payments to eligible employees, \$382,012 in fiscal year 2017-18 is for one Director, Wage & Hour Division position, one Program Manager position, one Office Associate II position, and one Actuary position and related All Other costs and \$1,267,818 in fiscal year 2018-19 is for those positions plus an additional 9 Office Associate II positions, 2 Claims Adjudicator positions and 2 Labor & Safety Inspector positions and related All Other costs to establish and implement the program. These estimates assume an October 1, 2017 effective date.

The Department of Labor will also require Other Special Revenue Funds base allocations of \$500 per year beginning in fiscal year 2017-18 to a newly created Paid Family Leave Insurance Fund to receive the contributions and make the benefit payments.

This legislation provides that the funds collected from eligible employees and deposited into the Paid Family Leave Insurance Fund may be used to pay benefits and the administrative costs of the program. However, because the number of eligible employees that will choose to participate in the program and the amount of contributions that will be collected are unknown, General Fund support will be required until the time that the monies in the Fund are sufficient to support both the benefit payments and administrative costs.