

Simulation Model Estimates for Maine (2023)

Maine Paid Family and Medical Leave Benefits Program

In 2021, Maine adopted legislation to create a commission to develop a paid family and medical leave program in the state; the commission completed its work in December 2022. Also in 2022, the Maine Women's Lobby and the Maine People's Alliance launched a ballot initiative to put a referendum asking voters directly whether to establish a paid family and medical leave benefits program in Maine. In 2023, legislators introduced a new proposal for paid family and medical leave in Maine. Cost estimates made using a microsimulation model for both are reported below.

Table 1 shows summary information for both the legislative proposal and the ballot initiative. Both would cover private as well as state and local government employment.

Table 1: Summary of Paid Family and Medical Leave Proposals in Maine (2023)

	Proposed Sponsor's Amendment to LD 1964 (May 24, 2023)	Paid Family and Medical Leave Insurance Act (Ballot Initiative)
Eligibility	Earnings in base period equivalent to six times state average weekly wage.	Earnings in base period equivalent to six times state average weekly wage.
Leave reasons	<ul style="list-style-type: none"> • Bonding leave during child's first year • Caring for own serious health condition • Caring for a family member with serious health condition • <i>Qualifying exigency leave for family member on active duty</i> • <i>Safe leave</i> 	<ul style="list-style-type: none"> • Bonding leave during child's first year • Caring for own serious health condition • Caring for a family member with serious health condition • <i>Qualifying exigency leave for family member on active duty</i> • <i>Safe leave</i>
Benefit calculation	90% of weekly earnings up to half the state average weekly wage; 75% of weekly earnings over the state average weekly wage.	90% of weekly earnings up to half the state average weekly wage; 65% of weekly earnings over the state average weekly wage.
Maximum weekly benefit	State average weekly wage.	State average weekly wage.
Number of weeks provided	12-weeks for particular qualifying need.	12-weeks for particular qualifying need.
Maximum total weeks in 12 month benefit period	12 weeks.	16 weeks.
Waiting period specified in proposal	7-day medical waiting period.	None specified in text.

Several differences between the two proposals are anticipated to impact cost estimation. One is in the benefit calculation formulas. While both include progressive wage replacement rates that provide benefits replacing 90% of usual earnings below half the state average weekly wage, the legislative proposal replaces 75% of earnings over half the state average weekly wage while the ballot initiative would replace 65% of those earnings. (The maximum weekly benefit for both is the state average weekly wage.) Second, the legislative proposal includes a one-week unpaid waiting period for medical leaves

not included in the ballot initiative. Third, the legislative proposal would only pay benefits for a maximum of 12 weeks in a twelve-month period but the ballot initiative would pay benefits up to 16 weeks in a benefit year.

Simulation Model Estimation

- Worker Paid Leave Usage Simulation ([Worker PLUS](#)) is an open-source simulation tool that can be used by researchers and federal, state, and local policy makers to estimate the effects of various worker leave scenarios and policy options on worker leave-taking behavior, and to estimate the benefits paid as well as costs of administering any given program.
- Worker PLUS employs public microdata from the Department of Labor's 2018 Family and Medical Leave Act (FMLA) Employee Survey to train models for individual-level leave needs and behaviors and simulates specific leave-taking behavior and outcomes using demographic data from the five-year American Community Survey (ACS) Public Use Microdata Sample (PUMS) for the Maine workforce.
- Current version is based on the 2016-2020 ACS for estimating the Maine workforce. Earnings and benefits are estimated in 2020 dollars unless otherwise specified.
- Benefit take-up rates specified by the analyst were selected based on previous analyses of simulating recent state paid family and medical leave programs (Washington, Massachusetts, and Connecticut) to determine rates that best reproduce administrative reports on claims and benefits paid.
- Self-employed workers have been omitted from the estimates although both proposals allow them to opt into program participation. Future analyses could include them or model their participation at some anticipated level. (Both options would require additional guidance from Maine's legislative or administrative staff.)

Simulation Results

- Based on the simulation model results, about 26,000 workers would claim program benefits for 27,000 family and medical leave reasons each year. Both proposals cover the same workers and share eligibility criteria.
- Approximately 5.2 percent of eligible workers would experience a covered family or medical need, take leave from work, and have an approved application for paid family and medical leave benefits in over 12 months.
- Paid family and medical leave benefits would cost \$116.0 million (2020 dollars) annually under the Senate proposal and \$116.4 million annually under the ballot initiative.
- Using the ACS to estimate Social Security OASDI taxable earnings for covered workers totals \$23,509.6 million in Maine (2020 dollars). Adjusting for firm size by industry in the region based on the Current Population Survey, firms with 15 or more employees would pay \$20,171.6 million in taxable wages.
- Applying the maximum one-percent premium in the bill would provide \$218.4 million in revenue for the paid family and medical leave program.

Additional Costs Not Estimated in the Worker PLUS Simulation Model

- Costs for Military Exigency and Safe Leave uses of the policy.

- Additional costs for children born, adopted, or placed after May 1, 2025 whose parents claim benefits after May 1, 2026, but within the first 12 months. If 25 percent additional bonding leaves were claimed in the first year of benefits (roughly similar to experiences in Washington and Connecticut), Maine would expect almost 3,000 additional claims paid at a cost of \$14 million (in 2020 dollars).
- Repayment of general revenues appropriated for start-up costs.