



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE FINANCE COMMITTEE

SENATE BILL 275 - LABOR AND EMPLOYMENT – FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM – ESTABLISHMENT (TIME TO CARE ACT OF 2022)

Sponsors – Senators Hayes and Benson

February 10, 2022

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Oppose

Senate Bill 275 would create and implement a Family and Medical Leave Insurance Program funded through employee and employer contributions. The Program would provide up to 24 weeks of benefits to covered individuals taking leave due to specific personal and family circumstances. This paid leave would be available to a greater number of employees than are covered by the federal Family and Medical Leave Act, for fewer hours worked, and allows an employee to take the leave to care for an expanded list of family members for an expanded list of reasons.

The Greater Baltimore Committee (GBC) opposes Senate Bill 275 because of its lack of conformity to the provisions of the federal Family and Medical Leave Act, the increased costs it imposes on employers of all sizes for both Program premiums and the cost of paying another worker to fill a role temporarily, and the administrative burden it places on all employers.

Unlike the federal Family and Medical Leave Act, Senate Bill 275 applies to all employers (rather than those with 50 or more employees), allows an employee who has worked at least 680 hours (rather than 1,250 hours) to qualify for the leave, and allows an employee to take the leave to care for an expanded list of family members for an expanded list of reasons. Small businesses with only one employee would be required to keep a job open for an employee utilizing the Program for as long as 24 weeks. This is an impossible position in which to place small employers, particularly in the already tight labor market.

Under the Program, all employers would be required to fund the mandated employer contributions, increasing payroll costs. Also concerning is the potential for employer contribution rates for this proposed program to eventually increase to maintain fund solvency, as more employees take advantage of this benefit. Furthermore, to the extent that employees take more leave, the Program may overburden other employees and create additional personnel expenses for overtime costs or high cost temporary employees.

The entitlement to benefits under Senate Bill 275 far exceeds any statutory length of leave, presenting innumerable challenges for employers. The administrative complications for small businesses to attempt to determine what an employee is eligible for under differing state and federal rules are overwhelming. The additional payroll and reporting requirements add to the burden facing already struggling businesses.

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This bill is inconsistent with two of the key tenets in *Gaining A Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report published by the GBC that identifies eight core pillars for a competitive business environment and job growth. The pillars provide:

Regulatory policies that are streamlined, stable, and predictable. Maryland must project to businesses within and outside the state that its government regulatory policies are reasonable, relevant, free of surprises or redundancy, and considerate of businesses' sense of urgency.

Competitive costs of doing business. Public policies must reflect a government predisposition to nurture business growth and to avoid arbitrarily or disproportionately imposing additional overhead upon the business sector.

Businesses are still struggling to survive the economic crisis caused by the global pandemic and the restrictions imposed on business operations. To impose such an onerous program on top of the other issues facing so many companies could cause even more businesses to fail.

For these reasons, the Greater Baltimore Committee urges an unfavorable report on Senate Bill 275.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.