



OUR MISSION:

Working to enhance the economic prosperity of greater Silver Spring through robust promotion of our member businesses and unrelenting advocacy on their behalf.

**SB275 – Labor and Employment – Family and Medical Leave Insurance Program – Establishment
(Time to Care Act of 2022)**

Finance Committee

February 10, 2022

UNFAVORABLE

On behalf of the Greater Silver Spring Chamber of Commerce, representing 400 member organizations, including very small businesses with fewer than ten employees and several nonprofits, in the greater Silver Spring area of Montgomery County, I write to express our opposition to SB 275 - Labor and Employment – Family and Medical Leave Insurance Program – Establishment (Time to Care Act of 2022).

As employers, our members know the importance of having healthy employees. They also know that it is difficult for employees to concentrate on the doing their jobs if they have a sick loved one at home. They understand it can be necessary to take time for medical issues or to be with your loved ones when they are in need. In a perfect world, employers are able to provide adequate salary and benefits at the same time they are creating a sustainable business. Unfortunately, that isn't the case with some of our smaller businesses. Additional mandates can often be the last straw in trying to maintain a balance between being profitable and closing down the business, especially now, as they are still struggling with the impact of the Covid-19 pandemic for the past two years.

As you review options for state-wide mandatory sick legislation, we would encourage you to consider the impact the legislation has on business owners. Starting and running a successful business is difficult. Not only do business owners have to provide a product or service that appeals to a customer base, they also have to have the resources necessary to ensure that the business is sustainable. They often take personal financial risks and work on small profit margins. They are members of our community; they are contribute to the nonprofit organizations that provide important services to our residents. Some of them are the managers of these nonprofits, struggling to find sufficient resources to provide the services they offer. And they all create jobs.

Our opposition to this bill is not in principle, but in practice. SB275 is not the right bill nor is this the right time. We have seen this legislation introduced and evolve over the past several years. Throughout that time, our members have been concerned about the additional financial impact it will have on their ability to be in business. Among our major concerns about the bill:

- Under the current bill, employees can receive up to 24 weeks of paid leave— 12 weeks for family reasons and 12 weeks for their own needs. But the state makes all the decisions about the leave without any input from the employer. Only the state can obtain certification to support the employee's application for paid leave benefits. Only the state can approve the leave. The employer has no ability to verify the need for leave, to challenge leave as fraudulent or abusive, or to take into account the impact of the leave on business operations
- While the bill does require both the employer and the employee to contribute to the fund, our members are concerned that the additional financial strain on their businesses, still struggling from the impact of the pandemic will be unaffordable.

- The program would apply to all employers, no matter the size. We believe there should be some consideration given to small employers who will be more burdened by having an employee out for an extended period of time, especially in the current market where businesses are struggling to find workers.
- The bill does not clarify whether the program is meant to provide wage replacement for leave to which an employee is already entitled, or if it is meant to apply to a separate bank of leave, leaving the door open to the possibility that an employee could be eligible for up to 24 weeks of paid leave. Having an employee out for that length of time presents innumerable challenges for a business in terms of productivity and for the other employees who are left to fill in the gaps.
- To say that COVID-19 has had a tremendous, detrimental impact on Maryland's economy would be an understatement. Our already beleaguered small businesses continue to struggle to stay afloat and keep their doors open. A period of major economic downturn and future uncertainty is not the time to implement new employer mandates that stand to negatively impact businesses that are struggling to overcome the impact of the pandemic.

If a paid family and medical leave program is to be successful, it must be workable for both employees AND employers – in part by clarifying that the program will provide insurance benefits to cover an employee's unpaid leave, but not paid leave itself. The program outlined in SB275 might be beneficial to employees, but it is not workable for employers. For these reasons, the Greater Silver Spring Chamber of Commerce respectfully requests a **UNFAVORABLE committee report on SB275**.

Jane Redicker

President & CEO

Greater Silver Spring Chamber of Commerce

8601 Georgia Avenue #203

Silver Spring, MD 20910

Office: (301) 565-3777

Mobile: (301) 466-8997

www.gsscc.org