

SB 828 - FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM – MODIFICATIONS

SUPPORT
March 1, 2023

To: The Honorable Chair Griffith, Vice Chair Klausmeier, and Members of the Senate Finance Committee

From: Kayla Mock, Political & Legislative Director
United Food and Commercial Workers Union, Local 400

Dear Chair Griffith and members of the Senate Finance Committee:

I appreciate the opportunity to share my testimony on behalf of our over 10,000 members in Maryland who have worked on the frontlines and been essential employees in grocery, retail, food distribution, law enforcement, healthcare, and cannabis. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers.

UFCW 400 strongly supports SB 828, which modifies the Family and Medical Leave Insurance (FAMLI) Program by specifying various aspects of programmatic implementation, administration, and the cost-sharing split. **UFCW 400 also strongly supports the sponsor amendments, which make the cost-sharing split 50-50 between employers and employees, putting SB 828 in the same posture as the House Bill.**

Passing the Time to Care Act of 2022 last legislative session was a historic victory for all Marylanders - and it was just the first step in realizing Paid Family and Medical Leave in Maryland. The critical work to create and implement an accessible, equitable, and robust FAMLI program is the next major step in fulfilling the promise of the Time to Care Act of 2022, and the General Assembly still has a key role to play in this collective effort. Passing SB 828 with the sponsor amendments will set important parameters for the FAMLI program, putting the program firmly on the path toward successful implementation.

In particular, SB 828 - with sponsor amendments - sets the contribution rate for the program with a cost-sharing split of 50% employees, 50% employers. This is fundamentally important, as it keeps the program affordable and equitable for both employers and employees in Maryland. A 50/50 cost-sharing split is in line with most other states - including our neighboring state of Delaware - that have recently passed FAMLI programs. Maryland passed one of the strongest and most comprehensive FAMLI programs in the country, and this sponsor amendment to create a 50/50 cost-sharing split is of the utmost importance to ensure our program centers the needs of both employees and employers, continuing to set the bar as a national model.

Studies show that family and medical leave programs have a substantial impact on increasing women's labor force participation, ultimately reducing the gender wage gap, which is a benefit for all Maryland businesses and the state as a whole. Additionally, Black and Latino workers are far more likely to forgo needed time off when they lack paid leave and take on more debt if they do take leave. Family and medical leave programs advance racial equity and build economic security for workers of color, which benefits all Maryland businesses and communities. Lastly, turnover costs businesses approximately 20% of an employee's annual salary, but in states that have family and medical leave programs, paid leave has improved worker retention. Reduced employee turnover is good for the bottom line of all employers in Maryland.

We appreciate your consideration and strongly urge a favorable report on SB 828 with sponsor amendments.