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Senate Bill 828 –Family and Medical Leave Insurance Program - Modifications Finance Committee – March 2, 2023 SUPPORT WITH AMENDMENTS

Thank you for this opportunity to submit written testimony concerning an important priority of the **Montgomery County Women's Democratic Club** (WDC) for the 2023 legislative session. WDC is one of Maryland's largest and most active Democratic clubs with hundreds of politically active members, including many elected officials.

WDC urges the passage of SB 828, an update to the Family and Medical Leave Insurance Program, which <u>passed into law</u> in the 2022 legislative session. We are grateful to the Finance Committee and to the Maryland Senate for recognizing the importance of a robust family and medical leave insurance system last session. This bill strengthens the program and prepares for thoughtful implementation by the MD Dept. of Labor, most notably committing to an equitable division between employer and employee contributions to the program, with sponsor amendments proposing a 50-50 split. This bill also thoughtfully responds to some opposition from local government partners who are seeking additional time for planning and implementation, adding one extra year before coverage requirements kick in beginning in 2026.

The best paid leave program is one that treats workers and their employers equitably, as outlined in the proposed sponsor amendments. A 50-50 cost-sharing split is a fundamentally important aspect of the legislation, as it keeps the program affordable and fair for both employers and employees in Maryland. We believe that the costs of the program should be equally shared because the benefits of the program are equally received. As participating workers are able to take care of themselves or family members in a sustainable way, so are participating employers reaping the benefits of higher employee retention, productivity, profitability, and morale, according to the National Partnership for Women and Families' research on other states' recent experience.

Equitable cost sharing also recognizes the racial impact of a paid leave program, and the need to support workers of color who disproportionately lack access. 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, according to a <u>recent study from the Pew Research Center</u>. Lawmakers should use a racial equity lens to construct our new system, acknowledging persistent racial disparities in access and avoiding replicating those same burdens in the cost-share structure.

Our members have personally been impacted by lack of access to paid leave to care for new children, for aging or ill relatives, and for our own medical needs. We ask for your support for SB 828 and strongly urge a favorable Committee report with the sponsor amendments.

Diana Conway WDC President Melissa Bender WDC Advocacy Committee