



SB 828
Family and Medical Leave Insurance Program Modifications

Finance Committee

March 2, 2023

Support

Catholic Charities of Baltimore strongly supports SB 828, which would clarify aspects of the Family and Medical Leave Insurance (FMLI) program.

Inspired by the Gospel to love, serve and teach, Catholic Charities provides care and services to improve the lives of Marylanders in need. For 100 years, Catholic Charities has accompanied Marylanders as they age with dignity, obtain empowering careers, heal from trauma and addiction, achieve economic independence, prepare for educational success and feel welcome as immigrant neighbors. We recognize the strong public interest in providing all employees with the opportunity to receive wage replacement when they take time to care for themselves or a family member.

Last year, the General Assembly passed the Time to Care Act which established the parameters for the FMLI program. It was an historic step toward providing workers with the flexibility they need to balance work and health. After the passage of the bill, we continued to meet with stakeholders to discuss implementation of the bill. Through those discussions we identified areas of the bill that required adjustment and clarification. Additionally, we knew that there were some issues that were left unresolved in the original legislation. The bill addresses those concerns in a number of ways.

First, the law that passed did not establish a contribution split between employees and employers. We agree with the sponsor's amendments to establish a split at 50/50 so that employers and employees contribute equal shares. This is consistent with other insurance programs such as Social Security and Medicare. It also recognizes that societal benefits that we will all reap when workers can take the time they need to care for themselves or a loved one.

Second, the bill adjusts the timeline for implementation. The previous administration did not set us on a path to success. The new administration has a heavy lift ahead of them. The language in the bill has a modest delay – we believe that, ultimately, we will need to delay contribution collections by a year and benefit distribution by 9-12 months.

Third, the bill establishes some parameters around the private plans that employers can offer if they opt out of the public plan. We appreciate the consumer protections around rates that can be charged, wage calculation and benefits. However, we do believe that language needs to be added giving the Maryland Insurance Administration the ability to regulate insurance products sold for this purpose.

Fourth, the bill adds in best practices for implementing a smooth system including definitions, language around appeals, reporting requirements, specifies application timelines, and adds in more employer notifications.

Fifth, the bill establishes that the State will cover the contribution amount for employers that provide services to individuals with disabilities and behavioral health needs. This is predicated on the intent language expressed in last years bill.

With the passage of last year's Time to Care Act, all eyes turned to Maryland. Now it is time to implement the program. SB 828 will set us on the path for a smooth implementation.

For the reasons listed above, Catholic Charities of Baltimore appreciates your consideration, and urges the committee to issue a favorable report for SB 828.

Submitted By: Regan Vaughan, Director of Advocacy