



## **HOMELESS PERSONS REPRESENTATION PROJECT, INC.**

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### **Support – SB 828**

#### **Family and Medical Leave Insurance Program – Modifications Senate Finance Committee**

**March 2, 2023**

**Michelle S. Madaio, Homeless Persons Representation Project**

The Homeless Persons Representation Project, Inc. (HPRP) is a non-profit civil legal services organization that provides free legal representation to people who are experiencing homeless or at risk of homelessness on legal issues that will lead to an end to homelessness. HPRP supports SB 828, with sponsor amendments, which makes cost-sharing in Family and Medical Leave Insurance (FAMLI) Program split 50-50 between employers and employees.

**SB 828, with sponsor amendments, establishes a cost-sharing contribution rate of 50% employees and 50% employers.**

For employees to benefit from paid leave under FAMLI, employees will need to be able to afford the contribution rate. A 50-50 split is critical to ensure employees can afford the cost. Any higher percentage passed on to employees would make the program cost prohibitive for many employees. For example, HPRP works with families that receive Temporary Cash Assistance. When the families we serve exit the TCA program for paid employment, the jobs families can access are extremely low-paying jobs and families are still living in poverty. The median earnings for adults who were employed before receiving TCA was \$11,288 and the median earnings for adults employed after receiving TCA was \$12,369.<sup>1</sup> Even five years after exiting the TCA program, median earnings among adults were still only \$18,880 annually.<sup>2</sup> Low-wage work is not specific to families that received TCA; three in five low-wage workers continue to remain in low-wage work over a 10-year period and research shows the longer an employee is in low-wage work, the more difficult upward mobility is to achieve.<sup>3</sup>

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<sup>1</sup> Haley Smith, Lauren A. Hall, Letitia Logan Passarella, “Life After Welfare 2022 Annual Update,” university of Maryland School of Social Work, <https://www.ssw.umaryland.edu/media/ssw/fwrtg/welfare-research/life-after-welfare/Life-after-Welfare,-2022.pdf> at 19.

<sup>2</sup> Id. at 20.

<sup>3</sup> Id. citing Escobari, M., Seyal, I., & Contreras, C. D. (2021). Moving up: promoting workers’ economic mobility using network analysis. The Brookings Institution. <https://www.brookings.edu/research/>

**Low wage workers in Maryland need as much of their earnings as possible to cover rising costs of housing, food, and other basic needs.**

Families living in poverty and deep poverty<sup>4</sup> are still experiencing the extreme hardship and economic crisis exacerbated by the COVID-19 pandemic. The cost of food increased by almost 10% last year.<sup>5</sup> Maryland is the 9th most unaffordable state to live in<sup>6</sup> and only 1 in 4 low-income renters in need of federal rental assistance receive it.<sup>7</sup> With rising costs in food and housing, families are paying more of their income to cover those costs. Paid family and medical leave is critical to helping families living in poverty. The unavailability of paid leave has caused many of HPRP's clients to lose their jobs after a temporary leave of absence from work due to a medical emergency or a birth of a child. When the family loses their income and is unable to pay rent, then the family loses their housing. Had the jobs offered paid family and medical leave, the family could have avoided the loss of income and traumas of housing and food insecurity. The passing of the Time to Care Act of 2022 last legislative session was an incredible gain for Maryland. But in order for low income families to be able to benefit from paid leave, they need to be able to afford it. SB 828, with sponsor amendments, will ensure the coverage in the program is more affordable and accessible by families who need it most.

**HPRP urges the Committee to issue a favorable report on SB 828, with sponsor amendments.** If you have any questions, please contact Michelle Madaio (she/her), Director – Economic Justice at (410) 716-0521 or [mmadaio@hprplaw.org](mailto:mmadaio@hprplaw.org).

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<sup>4</sup> The U.S. Census Bureau defines “deep poverty” as living in a household with a total cash income below 50 percent of its poverty threshold. The 2022 poverty threshold for a family of two was \$18,310. See U.S. Department of Health and Human Services, Annual Update of the HHS Poverty Guidelines, Federal Register Vol. 87, No. 14, at 3316 (January 21, 2022), available at <https://www.govinfo.gov/content/pkg/FR-2022-01-21/pdf/2022-01166.pdf>

<sup>5</sup> USDA, Economic Research Service, “Summary Findings, Food Price Outlook, 2023,” available at <https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings/-:~:text=In%202022%2C%20food%20prices%20increased%20by%209.9%20percent..Service%20%28ERS%29%20increased%20by%20more%20than%205%20percent.>

<sup>6</sup> AURAND, ET. AL, *Out of Reach 2023*, NATIONAL LOW INCOME HOUSING COALITION (2023), <https://nlihc.org/oor/state/md>

<sup>7</sup> ERIK GARTLAND, *Chart Book: Funding Limitations Create Widespread Unmet Need for Rental Assistance*, CENTER ON BUDGET AND POLICY PRIORITIES (Feb 22, 2022), <https://www.cbpp.org/research/housing/funding-limitations-create-widespread-unmet-need-for-rental-assistance>