House Bill 102

Family and Medical Leave Insurance Program - Revisions

MACo Position: **SUPPORT**

To: Finance Committee

Date: April 4, 2025

From: Karrington Anderson

The Maryland Association of Counties (MACo) **SUPPORTS** HB 102. This bill makes meaningful changes to the timing and implementation of the State's Family and Medical Leave Insurance (FAMLI) Program. HB 102 includes an 18-month delay to the FAMLI program's implementation—a change that counties strongly support, allowing them to properly implement the program. This bill also ensures that public employers who pursue the currently authorized option to offer comparable benefits through a private offering (which nearly every local government expects to pursue) can avoid being needlessly burdened by early withholding obligations.

As the State approached the FAMLI program's original implementation dates, local governments and other employers were notified of the State's intention to require them to begin collecting payroll contributions, even if they planned to use a private plan as allowed under the law. This announcement caused confusion and concern, as local governments are already managing revenue pressures and uncertainty tied to potential State budget actions. Adding payroll costs for a program they may not even use would be an unnecessary financial and administrative burden.

The changes in HB 102 offer relief from that pressure. The delay gives the Department of Labor and the Maryland Insurance Administration time to manage the review and approval of private plan applications. This will help ensure that employers opting out of the State plan, many of whom are local governments, can avoid early and unnecessary payroll deductions.

Counties want to be constructive partners in the successful implementation of the FAMLI program. HB 102 is a practical step toward that goal, ensuring that the program is rolled out responsibly, with adequate systems and clarity in place. For these reasons, MACo urges a **FAVORABLE** report on HB 102.