MDCEP
MARYLAND CENTER ON ECONOMIC POLICY
APRIL 4, 2025

Paid Family and Medical Leave Program Should Remain Available to All Workers

Position Statement in Opposition to House Bill 102 Unless Amended

Given before the Senate Finance Committee

The Maryland General Assembly adopted the Time to Care Act in 2022 to ensure workers can afford to take time off to care for a new child or a family member dealing with a serious illness. Once implemented, this program will provide significant benefits for families, communities, and Maryland's economy. As originally enacted, the Time to Care Act would have made paid leave benefits available beginning in January of this year. Lawmakers subsequently delayed implementation by 18 months. **House Bill 102, as amended in the House, would force workers to wait an additional year and a half** before using the benefits they were promised in 2022. Enough is enough. **For these reasons, the Maryland Center on Economic Policy opposes HB 102.**

Lawmakers made the right choice in 2022 by ensuring Maryland workers can afford to take time off to care for a new child or a family member dealing with a serious illness. This decision will bring significant and wide-ranging benefits to workers and families, including improved infant health and reduced employee turnover.

Credible academic research, as well as the experience of other states with similar programs, shows that paid family and medical leave brings significant and wide-ranging benefits:[i]

- **Public health benefits:** Evidence links paid leave guarantees to a decline in infant mortality, improvements in mothers' mental health, a 33% drop in upper respiratory complications among infants, and increased ability for aging adults to live at home. Research shows that children in low-income families see especially large health benefits.
- **Economic benefits:** A study found that California's paid leave guarantee decreased the number of mothers of young children with family income below the federal poverty line (currently about $26,000 for a family of four). While paid leave enables parents to take more time off during the first few weeks of a child's life, research shows that it can also enable mothers to return to the paid workforce sooner. Studies have linked paid leave to improvements in productivity and declines in turnover.

However, policymakers have repeatedly delayed implementation of the Time To Care Act:

- As introduced, the 2022 bill would have made benefits available in January 2024.
- The enacted 2022 law made benefits available in January 2025.
- Lawmakers in 2023 delayed implementation by a year to ensure smooth administration and sufficient funding: January 2026.

- Last year, lawmakers delayed implementation by another six months: July 2026.

Under HB 102, promised benefits would not become available until **January 2028**. Maryland workers have waited long enough.

Support HB 102 as Introduced

MDCEP did support House Bill 102 in its original posture, before the House amended it to include the 18-month delay, because it will allow the Department of Labor to craft regulations that better meet the unique needs of self-employed workers than the design outlined in the current statute.

The thousands of Marylanders who are self-employed deserve to have access to the same FAMLI program as those who work for an employer. The Small Business Administration estimates that there are nearly 560,000 businesses in the state with no employees.[ii] However, the scope of self-employed workers represents a broad range of incomes and individual situations, from gig workers and home child care providers who may just barely be making ends meet and cannot afford unpaid time off to highly paid lawyers and consultants who may have more ability to cover their expenses when taking time away from work.

HB 102 will provide the Department with more flexibility to craft an effective FAMLI program that meets the needs of self-employed workers from all backgrounds. Based on the experiences of other states, which have generally seen low uptake of their FAMLI programs for self-employed workers, it is essential that Maryland's program does not create administrative or cost barriers that keep essential paid leave out of reach, particularly for self-employed workers with lower incomes. Mirroring the process for the employer-based program, as the original Time to Care legislation envisioned, will likely repeat the same results seen in other states.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee make an unfavorable report on House Bill 102 or amend it to reflect the nature of the bill as introduced.

Equity Impact Analysis: House Bill 102

Bill summary

HB 102, as amended, delays implementation of the Time To Care Act of 2022 by 18 months:

- Delays required contributions to the Family and Medical Leave Insurance Fund from July 2025 to January 2027
- Delays the availability of paid leave benefits from July 2026 to January 2028

Background

The 2022 Maryland Time to Care Act (Chapter 48) provides up to 12 weeks of job-protected paid family and medical leave insurance open to all people working in Maryland. As enacted, the law made paid leave benefits available beginning in January 2025.

Chapters 258 and 259 of 2023 delayed benefits availability by one year, to January 2026.

Chapters 266 and 267 of 2024 further delayed benefits availability by six months, to July 2026.

Equity Implications

Maryland's current lack of a paid family and medical leave guarantee poses significant equity concerns. Delaying paid leave implementation as called for under would prolong these inequities:

- Sixteen percent of workers nationwide needed to take family or medical leave in the last two years but were unable to do so, according to a 2016 survey by the Pew Research Center. This group includes 19% of women, 23% of Latino workers, 26% of Black workers, and 30% of workers with less than $30,000 in annual income.
- Workers with an unmet need for leave were more likely to cite inability to afford the lost income as a reason for taking no leave or less than they needed than any other factor (72% of those taking no leave, 69% of those taking less leave than they needed).
- Many workers who took a pay cut during their time off work dealt with the loss of income by dipping into savings intended for another purpose, cutting their leave short, taking on debt, or putting off paying bills.
- Research suggests that parents who take no leave, insufficient leave, or unpaid leave may face a higher risk of experiencing mental health problems; their children may face a higher risk of health problems or even death. Workers who face barriers to taking the leave they need—who are disproportionately workers of color or low-wage workers—are especially likely to face these risks.

Impact

House Bill 102, as amended in the House, would **worsen racial, gender, and economic inequity** in Maryland.

---

[i] Heather MacDonagh, "Family and Medical Leave Insurance," Department of Legislative Services, 2019, http://dls.maryland.gov/pubs/prod/BusTech/Family_and_Medical_Leave_Insurance.pdf

[ii] 2024 Maryland Small Business Profile, U.S. Small Business Administration Office of Advocacy, https://advocacy.sba.gov/wp-content/uploads/2024/11/Maryland.pdf