



**Testimony Concerning HB 839 – Labor and Employment –
Family and Medical Leave Insurance Program - Establishment
Submitted to House Economic Matters**

February 24, 2020

Position: Support with Amendments

The Maryland State Family Child Care Association (MSFCCA) is a non-profit association advocating on behalf of approximately 4600 registered family child care providers in Maryland that are an important part of the child care delivery system. As a workforce, our members care for a significant number of Maryland's children, which includes approximately 50% of all children under the age of two. As an association, we see how our members struggle to make ends meet as a small business. Family providers consistently deal with fluctuations in enrollment and income, as well as the systematic regulatory and policy changes that affect their bottom line.

Registered family child care providers typically work alone in their home in a small mixed-age form of child care. HB 839 allows for these self-employed providers to enroll and benefit from this coverage. However, there are a significant number of family child care providers that *have an employee(s)*; which allows them to care for a larger group of children. These employees serve as regular helper(s) that work alongside the provider, or as regular substitutes that may work in place of the provider. HB 839 as it is written, would “*require*” these providers to participate in the Family and Medical Leave Insurance Program. In other words, a family provider with up to eight (8) children and an employee(s), or a large family child care with up to twelve (12) children and an employee(s) would not have the *choice* of “not participating” in the Family and Medical Leave Insurance Program. They would be “mandated” to participate, and automatically required to absorb the costs associated with this coverage on behalf of themselves and each person they employ. In most cases, this is a definite financial hardship on small businesses that already have limited and capricious incomes. The likely outcome in these instances would be the termination of the employee(s), which then results in the termination of some children whose families have already struggled to find that spot in a quality program. This will negatively impact the families of many children who otherwise had their child care needs being met. These families will once again struggle to find quality child care in a system where a serious shortage of quality programs already exists.

For this reason, MSFCCA is once again asking that the threshold for “mandated” participation in the Family and Medical Leave Insurance Program be more in line with the Maryland Healthy Working Families Act and require employers with “15 or more” employees to participate.

Another financial uncertainty of HB 839 is that family child care providers with no employees, who do choose to enroll in the Family and Medical Leave Insurance Program, would be required to commit to participate for three years. This is an onerous commitment for small businesses that on any given day can lose one or more of their childcare children and have it significantly affect their income. A more suitable option for MSFCCA to fully support HB 839 would be a “smaller commitment such as one year or even an *opt-out* clause, in the event the providers enrollment drops significantly.” Many of the providers we represent are one income or lower-income households, and when incomes drop difficult decisions must be made, and those difficult decisions will affect many families in Maryland.

MSFCCA appreciates the opportunity to weigh-in on this very important legislation and understands that the intent of HB 839 is to help families in challenging situations; however realistic options and requirements for smaller businesses must be a part of the policies, therefore MSFCCA can only Support HB 839 with the Amendments submitted. Feel free to contact Rebecca Hancock, the Vice President of MSFCCA at 240-299-0222 to answer any questions concerning this testimony and Amendments.