



Testimony offered on behalf of:
THE GARRETT COUNTY CHAMBER OF COMMERCE

UNFAVORABLE:

**HB 375 – Labor and Employment – Family and Medical Leave Insurance Program – Establishment
(Time to Care Act 2021)**

**Economic Matters Committee
February 16, 2021**

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in Western Maryland, I write to express our opposition to **HB 375 – Labor and Employment – Payment of Wages – Family and Medical Leave Insurance Program – Establishment (A Time to Care Act 2021).**

This legislation would establish a Family and Medical Leave Insurance (FAMLI) program to be administered under the supervision of the Department of Labor's Unemployment Insurance (UI) Division. It is onerous legislation and a costly mandate that once again drives up the cost of doing business in Maryland. Employers are already required to provide family and medical leave at an additional cost to the organization as they have to hire temporary workers or pay overtime to current employees to make up for the employee taking the leave. It should not be the responsibility of the employer to also pay money to that employee that is on leave. That is why Short- and Long-Term Disability Insurance exists. And the State of Maryland should not create an insurance program that directly competes with private insurers.

The program generally provides up to 12 weeks of benefits to an employee who is taking partially paid or unpaid leave for certain reasons, except that an additional 12 weeks for benefits appears to be provided for certain circumstances. The Family Medical Leave Act was established by the United States Congress to provide workers much needed relief by protecting their jobs when out on an extended absence. An expansion of this program at the state level is unnecessary to enforce the spirit of the law.

Although, the payments to the FAMLI fund would be split equally between employers and employees, it is yet another tax on employers. Additionally, there are a number of nuances and complexities outlined in the language, and the Chamber is extremely concerned that the implementation of this legislation will result in additional costs and administrative burden to employers, especially small businesses and non-profits, at a time when they can least afford it.





The Legislature should also consider the additional encumbrance on the Maryland's UI Division. The UI office is already completely overwhelmed due to the pandemic and adding the creation and administration of a new program will exacerbate the existing strain on the Division's resources. In a time when state revenues are down, the administrative costs alone are detrimental and prohibitive.

To say that COVID-19 has had a tremendous, adverse impact on Maryland's economy would be an understatement. Maryland businesses continue to struggle to stay afloat, and the Comptroller's office has estimated that approximately 30,000 businesses have either closed or will close permanently. A period of major economic downturn and future uncertainty is not the time to implement new employer mandates that stand to negatively impact businesses that are struggling to overcome the impact of the pandemic.

Not only is this tax being considered but huge mandated business expenses are also being deliberated in the form of the Essential Workers' Act which will require hazard pay, financial assistance for unreimbursed health care expenses and health insurance, and additional sick leave. In the past three years, businesses have been hit with a minimum wage increase, mandated paid sick and safe leave, and the pandemic. Businesses are at the breaking point and Maryland has been on a destructive path that will most definitely destroy many businesses if these unreasonable bills are enacted.

The Chamber respectfully requests an **UNFAVORABLE committee report on HB 375.**

Sincerely,

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President & CEO

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