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House Economic Matters Committee HB 375: Labor and Employment – Family and Medical Leave Insurance Program -- Establishment (Time to Care Act of 2021) Position: Support With Amendments

February 16, 2021

The Maryland Association of Community Services (MACS) is a non-profit association of over 100 agencies across Maryland serving people with intellectual and developmental disabilities (IDD). MACS members provide residential, day and supported employment services to thousands of Marylanders, so that they can live, work and fully participate in their communities.

The intent of HB 375, to assist employees who need leave in order care for themselves or a family member is a goal that IDD providers support, which is why MACS supported the Maryland Healthy Working Families Act in 2017. However, the financial and administrative challenges raised by HB 375 threaten to negatively impact some segment of the 17,764 Marylanders with IDD and their families that DDA-licensed providers support. While some caregivers will certainly be helped by HB 375, the impact of the bill on services by providers struggling with high vacancy and turnover rates will, we fear, have a negative affect on others. Prior to the pandemic,

- 1 in 3 direct support staff didn't stay in their jobs 6 months;
- over half of direct support staff did not last a full year (and the vast majority left voluntarily because of high stress, low-wage work-- they can make as much if not more working for retailers and other employers);
- half of all IDD providers had a direct support vacancy rate over 16%; and
- 1 in 4 providers had a direct support vacancy rate over 24%.

The pandemic has exacerbated this staffing crisis, and the supports that people with IDD rely on in order to live in the community will be jeopardized if providers are unable to maintain full staffing for extended periods of time and/or unable to find qualified replacement staff for employees who might be eligible under the bill for up to *twenty-four* weeks of leave-- *in addition* to any accrued vacation leave.

Additionally, the vast majority of IDD providers are nonprofit organizations that rely on funding from the state and federal government. Unlike other businesses, DDA-licensed Medicaid providers are prohibited from passing on cost increases to the people they support. The unfunded employer mandate proposed by this legislation raises concerns for IDD providers. As this Committee will remember from the minimum wage debate, many of these Medicaid providers are already operating on thin margins due to a state reimbursement rate that hovers near minimum wage for direct support workers—a rate that is responsible in large part for the historically high vacancy and turnover rates that IDD providers are facing.

In an effort to balance the interest in providing additional paid leave to employees against the negative impact that the loss of staff would have on people with developmental disabilities, MACS respectfully requests **amendments that would provide paid family and medical leave to eligible employees based on requirements that do not exceed the requirements of the federal Family and Medical Leave Insurance Act (FMLA)**. As drafted, HB 375 allows an employee to qualify for leave who has only worked 680 hours as compared to 1,250 hours under FMLA, and provides the possibility of 24 weeks of leave rather than 12 weeks of leave under FMLA. HB 375 also permits an employee to take the leave to care for an expanded list of family members and for expanded reasons as compared with FMLA.

The impact of such a significant broadening of the allowances under the federal FMLA law will impede the ability of IDD providers to meet the needs of people with developmental disabilities who depend on staff to live and work.

Additionally, the financial impact of the increased cost of the program will have a negative impact on IDD providers and their ability to provide services. Therefore, MACS requests an **amendment that would require the State to cover the cost of the employer contribution proposed by this bill for DDA-licensed IDD providers**.

Sincerely,

Laura Howell
Executive Director

