

MARYLAND SENATE BILL 727 (SB 727) - UNFAVORABLE

THE "MARYLAND HEALTHY WORKING FAMILIES ACT" IS DECIDEDLY UNHEALTHY FOR MARYLAND-BASED
FEDERAL GOVERNMENT CONTRACT COMPANIES, AND SHOULD BE REJECTED BY THIS COMMITTEE

WRITTEN TESTIMONY OF ANTHONY C. WISNIEWSKI, ESQ.

ON BEHALF OF AND REPRESENTING LIVANTA LLC

WEDNESDAY, MARCH 17, 2021 AT 1:00PM

SENATE FINANCE COMMITTEE

ANNAPOLIS, MARYLAND

Members of the Committee, SB 727 threatens to drive out Maryland's Federal government contract companies through forcing unfunded and unaffordable employer mandates to provide additional sick and safe leave for employees.

Livanta LLC is a Maryland business success story. Founded in Howard County in 2004, Livanta is headquartered in Annapolis Junction, Maryland. With offices in Maryland and Nevada, Livanta is primarily a Federal government contract company servicing high-impact Federal programs for Americans throughout the nation. In fact, we are the largest Medicare Quality Improvement Organization in the country.

If passed, SB 727 may force Livanta to transition most of its hundreds of Maryland positions to Nevada and elsewhere or otherwise risk going out of business because of this proposed bill's serious cost impact. These positions include nurses, physicians, coding specialists, social workers, call center personnel, mailroom employees, information technology professionals, systems security professionals and other staff.

For the specific reasons stated below, Livanta respectfully requests an **UNFAVORABLE REPORT** on SB 727:

First, SB 727 requires employers to provide an additional 14 business days, or 112 hours, of new, paid sick and safe leave for full-time employees during a declared public health emergency (e.g., if there are three different public health emergencies in a year, the employer

may have to give one or more affected employees up to 336 hours each, which is 14 days for each new public health emergency and a carry-over of unused days if an older public health emergency is renewed).

Second, this bill fails to allow an employer to require documentation to substantiate the legitimacy for such leave, thereby encouraging fraud, waste and abuse.

Third, leave is retroactive. For example, if a person took time off with regular sick leave to get a vaccine or to see a doctor for a well visit or preventative exam with concerns addressed on how to avoid infection with COVID, he or she could reapply for the leave to come out of this new pool of sick and safe leave. It is possible that former employees could be eligible for additional payouts based on the retroactive provision: an administrative nightmare.

Fourth, SB 727 requires an employer to provide said leave regardless of how long an employee has been employed with the business. Even after just one day of employment, an employee who does not have to prove anything can claim up to 112 hours of paid sick and safe leave.

Fifth, this bill confusingly expands the definition of a family member to include someone whose "close association with the employee is the equivalent of a family relationship." Apparently, a close friend might qualify. This is another administrative nightmare fraught with fraud potential.

Sixth, SB 727 removes the "temp worker" exemption from the Maryland Healthy Working Families Act. This will put temporary staffing agencies out of business and will no longer be a resource for a company like Livanta that has fluctuating workload requirements.

Simply stated, for Livanta to remain competitive in winning future Federal contract awards, it must show cost advantages over other companies throughout the nation where paid leave requirements are less onerous. Imposing the burden of additional paid sick and safe leave will both hinder Livanta and other Maryland-based Federal government contract companies from remaining competitive nationally and reduce our profitability to a point where we must reposition our main operations to less expensive states, such as Nevada. This will only cause Maryland to lose business tax revenue: a net loss to the State for an ill-considered decision to force unfunded and unaffordable employer mandates.

The work of Federal government contractor companies is ultimately paid by you, the American taxpayer. An onerous employer requirement to provide additional paid sick and safe leave only increases the costs to provide required, Federal services to Marylanders and the rest of the nation. Please continue allowing market forces to determine the amount of available paid leave, and to allow Maryland-based Federal government contract companies to remain viable for its employees and their families, and the overall fiscal health of the State.