



Maryland Municipal League

The Association of Maryland's Cities and Towns

TESTIMONY

March 7, 2023

Committee: House Economic Matters

Bill: HB 988 - Family and Medical Leave Insurance Program - Modifications

Position: Support with amendments

Reason for Position:

The Maryland Municipal League (MML) supports House Bill 988, with amendments, as it makes modifications to the State Family and Medical Leave Insurance Program. The MML amendments are an extension of concerns raised by MML over the implementation of this important program.

Employers need to know the process and criteria for the exemption to employers that provide an equal or higher level of benefits to their employees ahead of the mandatory contribution date in order to determine how to proceed with their own employer sponsored plan. Municipal governments as employers also have a July 1 fiscal year budget within which they need to operate, and mandating that contributions to the Fund start in the middle of a fiscal year, as is in current law and this bill, makes budgeting very difficult. The MML proposed amendments address both concerns and place the dates in a sequence that allow for appropriate decision making for local government employers.

MML offers the following two amendments, which in conjunction should smooth the rollout of the State program:

1. Insert the following language:

“(A) ON OR BEFORE JANUARY 1, 2024, THE MARYLAND DEPARTMENT OF LABOR SHALL PUBLISH:

- (1) REGULATIONS OUTLINING THE STANDARDS THAT NEED TO BE ACHIEVED BY AN EMPLOYER IN ORDER TO MEET THE EQUIVALENCY EXEMPTION PROVIDED IN 8.3-705(A), AND**
- (2) PROCESSES BY WHICH EMPLOYERS MAY APPLY TO THE DEPARTMENT FOR THE EXEMPTION PROVIDED IN 8.3-705(A).**

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2. On page 11, line 10:

(a) Beginning [October 1, 2023] ~~JANUARY~~ JULY 1, 2024, each employee of an employer, each employer with 15 or more employees, and each self-employed individual participating in the Program shall contribute to the Fund.

While municipal governments are mostly recognized for the quality of life services they provide, they also employ almost 9,000 people in Maryland. Municipal governments often offer excellent fringe benefits, including generous leave policies, in order to compete with higher salaries offered in the private sector. It is these benefits that lead, in large part, to municipal governments having an incredibly high employee retention rate, and municipal governments would like to continue to offer them as an additional recruitment and retention incentive.

MML and our members agree with the policy to create a State paid family leave program and with the above amendments, municipal governments will be able to continue to offer great benefits to their employees. As such the League supports the passage of HB 988, with amendments.

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