



SEIU Maryland & DC State Council

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Testimony in FAVOR of HB 988 Family and Medical Leave Insurance Program - Modifications

House Economic Matters Committee

March 7, 2023

1:00 PM

Presented by: Terry Cavanagh, Executive Director

We urge a FAVORABLE Report on HB 988

We are proud to say we were early supporters of The Time to Care Act. After several years of trying, we were successful in getting the 2022 Session of the General Assembly to pass it and to override then-Governor Hogan's veto of this incredibly popular approach to dealing with workers' and employers' needs to balance work, personal health, and families.

We commend all those legislators who had the courage to stand up for the legislation. We must take note that all legislators who voted for The Time to Care law were re-elected by the voters.

In 1993 President Bill Clinton signed into law, the Family & Medical Leave Act. It was a hallmark of his first term. However, most workers could not afford to take advantage of the law since they could not go without a regular paycheck. Over the last several years, many states recognized this need, and since the federal government will not or cannot address this issue at their level, acted. Now, Maryland joins more than 10 states and our neighbors in the District of Columbia in enacting Paid Family & Medical Leave legislation. It's been a long time coming, but as someone once said, it's never too late to do the right thing. This is the right thing. Now is the right time.

We recognize the many, many hours of work that our partners in the coalition have given to this effort, including reaching out to engage many who opposed this program.

There are a few important points that must still be addressed:

TIMING – We know the committee and the Senate will adopt effective dates for contributions and benefits that are responsible. A balance must be struck between meeting the immediate needs of Maryland’s families with making sure we have the expertise and structure to get it done right.

OVERALL COST – In establishing the overall rate of contributions, we ask that you be careful, but not overly cautious. There may be a tendency to come with a high overall cost showing “an abundance of caution”. We ask that you keep in mind the rate translates into hardearned dollars for workers and businesses. We can use the experience of the several states that have come before us to establish a rate that will adequately fund benefits.

THE SPLIT – We understand that Senator Hayes will be offering sponsor amendments to make the employee / employer split on premium payment at 50 percent each. We support that amendment.

There is a symmetry and balance in a **50/50 split** of costs for the program between workers and employers which no other numbers can match. Some make the argument that since the workers are the beneficiaries of the program, they should pay for it, and if not 100%, then 75% is surely reasonable. We reject this argument and ask you to do the same. Wages or pay increases are an obvious benefit from employment, but it would be absurd for workers to pay for their own raises.

Others may say employers ought to pay 100% of the costs. We are tempted to accept this logic, especially since our closest neighbor, the District of Columbia, has a similar program where employers do pay 100% of premiums. However, we recognize political and legislative reality, and knowing the split what states who have recently passed similar laws have done, a **50/50 split** is reasonable.

ADMINISTRATION – An unanswered question is “Who will run this program?”. Some with argue that given the recent disastrous management of the Unemployment Insurance program, state government and least of all the Department of Labor should be running the

program. This argument ignores what Governor Moore has made a cornerstone of his administration. You can't expect government to function properly and serve the needs of the people if you do not staff the departments adequately. His budget reflects what been ignored for too long – we need to staff up state government to meet Maryland's needs.

We strongly urge you to develop the expertise of direct government employees and hold them and state managers accountable. For those who may believe that outsourcing these services is somehow like spreading magical pixie dust on the issue, we direct you to the Connecticut experience with their FMLA. It was not good.

Lobbyists have been hired by companies to laud their experience and expertise on these programs, but no matter how many ads they run or how loud they quack, direct government workers have a much better track record on this issue in performance and accountability than their for-profit counterparts. Why shouldn't Maryland develop the expertise to be the best?

Thank you.

We ask a **FAVORABLE REPORT of HB 988.**