



House Bill 988

Family and Medical Leave Insurance Program - Modifications

MACo Position: **SUPPORT WITH
AMENDMENTS**

To: Economic Matters Committee

Date: March 7, 2023

From: Brianna January

The Maryland Association of Counties (MACo) **SUPPORTS HB 988 WITH AMENDMENTS**. This bill modifies and alters certain aspects of the Family and Medical Leave Insurance (FAMLI) Program passed in 2022, but does not sufficiently resolve counties' concerns regarding the timeline and opt-out process for private plans of equal or greater benefit to the State's.

While counties value the goals of the FAMLI Program and the intent of HB 988 to clarify key pieces of the law, local governments have deep trepidations about the feasibility of the law's implementation timeline and requirements, which are not resolved in HB 988 as drafted. In December 2022, a coalition of local governments and their partners consisting of counties, municipalities, local boards of education, and local school superintendents, sent a letter to the Maryland Department of Labor outlining these concerns. In the period since that letter was sent, MACo has engaged with a variety of stakeholders and policymakers to address these issues and we look forward to continued collaboration to do so.

While HB 988's proposal to defer contributions to the Family and Medical Leave Insurance Fund by three months (from October 2023 to January 2024) is helpful, it continues to conflict with the rigid, unique budgetary processes, and timelines to which local governments must adhere. Secondly, under the 2022 law, every Maryland county is legally required to participate in the State's FAMLI Program or to seek an exemption if the county provides an equal benefit. The 2022 law failed to detail the process by which local governments can seek an exemption, and, unfortunately, HB 988 also fails to do so.

To adequately address these continued concerns, counties propose the following amendments:

- Defer employer contributions to July 1, 2024, so that counties can properly consider and prepare for budget implications of these contributions ahead of FY25.
- Require the Department of Labor to adopt private plan exemption procedures and criteria and appeals process in regulations by January 1, 2024.

Adopting these amendments will help ensure a smooth, transparent process for the State and local governments that better aligns with the unique budgetary timelines and procedures by which they are constrained. For these reasons, MACo urges a **FAVORABLE WITH AMENDMENTS** report on HB 988.