



Maryland Municipal League
The Association of Maryland's Cities and Towns

TESTIMONY

February 14, 2024

Committee: House Economic Matters

Bill: HB 571 - Family and Medical Leave Insurance Program - Modifications

Position: Favorable with Amendment

Reason for Position:

The Maryland Municipal League (MML) supports House Bill 571, with a critical amendment. The bill makes technical but also substantive changes to the Family and Medical Leave Insurance (FAMLI) program, set to provide benefits to working Marylanders in the next few years.

Through the legislative and regulatory process of building the FAMLI program, MML has focused on only a few areas important to our members; one is the ability for employers to provide their employees coverage through a private sponsored plan alternative to the State plan. This element of the puzzle is crucial to allow employers the flexibility to seek out a plan that best fits their employees while also minding their budget. These private sponsored plans must meet the State's standard for coverage and be approved by the Maryland Department of Labor (DoL). As we assist our member municipal governments through this process many are exploring or already committed to exercising the private plan alternative.

However, there is a provision in the bill that raises some concern over the viability of the employer-sponsored alternative. It allows DoL to assess fees on employers that choose to cover their employees through a private plan. This vague language presents a budgeting challenge in the short term as employers are in the process of pricing out plans. It also brings into question the viability of the private sponsored plan option going forward; depending on the frequency and amount of the fee, private plans might get priced out of the market.

In order to address this issue, MML proposes the following amendment to bring the playing field back to level between the private sponsored plans and the State plan.

MML Amendment: Page 7, line 28

~~(3) THE DEPARTMENT MAY ADOPT REGULATIONS THAT ESTABLISH FEES UNDER THIS SECTION.~~



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Most of the provisions of HB 571 should allow for the FAMLI program to operate more effectively, however the aspect regarding potential fees on employers that opt to use a private plan is worrisome. For this reason, the League respectfully requests that the committee provide House Bill 571 with a favorable report, with the above amendment.

FOR MORE INFORMATION CONTACT:

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