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BILL: HB 571

TITLE: Family and Medical Leave Insurance Program - Modifications

DATE: February 14, 2024

POSITION: Support with Amendments

COMMITTEE: House Ways and Means Committee

CONTACT: Mary Pat Fannon, Executive Director, PSSAM

The Public School Superintendents' Association of Maryland (PSSAM), on behalf of all twenty-four public school superintendents, **supports** House Bill 571 **with amendments**.

This legislation proposes improvements to the Family and Medical Leave Insurance (FAMLI) Program and Fund by extending implementation dates and other technical changes. However, PSSAM requests an amendment to exempt local government employer provided plans from the Department's new authority to collect fees from employer provided plans.

The Time to Care Act of 2022 established the Family and Medical Leave Insurance (FAMLI) Program and Fund to provide up to 12 weeks of benefits to a covered individual taking leave from employment due to personal and family circumstances. The FAMLI Fund consists of contributions from employees and employers, including Maryland's 24 local school systems and municipal and county governments. Employers and employees are to begin making payroll contributions to the Department of Labor to generate the FAMLI fund and to support benefits payments beginning in 2026.

The Time to Care Act provided an exemption for employers who satisfy the requirements of law through their employer plan. This exemption provides the opportunity for employers, including public sector employers such as boards of education, counties, and municipal governments, to receive departmental approval to establish employer provider benefits plans.

Many Local Education Agencies (LEAs) are members of the Maryland Boards of Education (MABE) Insurance Pool and are participating in the "The Time to Care Act Collaborative," established in partnership between MABE, the Maryland Association of Counties (MACo), and the Maryland Municipal League (MML). These partners are working diligently to use economies of scale to attract national vendors to administer this local government program that meets the conditions of the Time to Care Act. This collaboration will save school systems and local governments millions of tax dollars. Therefore, PSSAM does not believe this public sector Collaborative should be charged departmental fees.

For these reasons, PSSAM supports House Bill 571 with amendments.