

Committee: House Appropriations Committee

Bill Number: HB 1503 Regarding Family and Medical Leave Insurance (FAMLI)

Date: March 10, 2025

Position: Support with Amendments

The Maryland Association of Boards of Education (MABE) is pleased to provide this testimony on HB 1503 regarding the Family and Medical Leave Insurance (FAMLI). Over the last two years, MABE has worked closely with the Maryland Association of Counties (MACo) and the Maryland Municipal League (MML) to create the Public Sector FAMLI Collaborative, an initiative organized to help local governmental employers meet the requirements of FAMLI in the most cost-effective way. The Collaborative now has over 100 participating employers representing over 200,000 individuals working for Maryland school systems, counties, towns and cities, community colleges, public libraries and bi-county agencies.

Maryland school systems and other public sector employers face significant financial and administrative challenges in complying with requirements under FAMLI. To mitigate these challenges and ensure governmental entities are able to meet the requirements without undue burden, it will be essential for the Maryland Department of Labor and the Maryland Insurance Administration to (a) meet certain deadlines and (b) facilitate ongoing dialogue with local governmental employers throughout the implementation process.

The Maryland Department of Labor has requested an 18-month delay in key provisions of FAMLI, including moving the start date for employer/employee contributions to the State FAMLI Plan to January 1, 2027 and shifting the effective date for the mandated benefits to January 1, 2028.

To accompany this proposed delay, we recommend that HB 1503 include language which will specify:

- I. Prohibition of any requirement for employers to collect and hold in escrow employee or employer contributions towards the cost of FAMLI coverage for the period January 1, 2027 to December 31, 2027.
- II. Requirement for the Department of Labor to release final regulations related to the FAMLI by September 1, 2025.
- III. Requirement for the Maryland Insurance Administration to approve completed private insurance carrier filings for FAMLI coverage by November 1, 2025.
- IV. Requirement for the Department of Labor and the Maryland Insurance Administration to ensure, through regulation or administration practice, that any employer or group or employers with a timely submission of application to provide a commercially insured Equivalent Private Insurance Plan (EPIP) shall receive a formal approval or rejection of

that application in a timely fashion, but no later than March 1, 2026 for an application submitted by January 1, 2026.

- V. Requirement for the Department of Labor to work closely with MABE/MACo/MML member employers in the coming months to:
 - a. Address employer questions related to implementation of FAMLII.
 - b. Minimize opportunities for fraud and abuse through regulation or administration practice.
 - c. Ensure employers are able to meet the requirements of FAMLII a way that minimizes the financial burden and disruption to their workforce.

By ensuring these necessary deadlines are met, and fostering meaningful, ongoing dialogue with MABE, MACo and MML member employers, this bill can promote successful implementation of the FAMLII requirements in a way that minimizes the financial and administrative burden Maryland's local governmental employers, as well as the broader employer community in the state.