



House Bill 824

Date: February 13, 2025

Committee: House Economic Matters

Position: Opposed

Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

House Bill 824 (HB 824) would allow certain individuals who have earned at least \$7,200 in total lifetime wages in Maryland to obtain paid benefits under the Family and Medical Leave Insurance (FAMLI) program. Under HB 824, eligible individuals would be entitled to benefits once per year in the amount of \$2,000 for the 6-month period beginning July 1, 2027, and at an amount determined by the Maryland Department of Labor for the 12-month period beginning January 1, 2028 and each subsequent year thereafter.

In 2022, the Maryland General Assembly enacted the FAMLI Act with an expected \$841.8 million in FY 27 being taken from employers and employees to fund the program. Based on more recent data, the program is now expected to take \$1.838 billion from employers and employees to fund the program. In a recent letter from the Department of General Services (DGS) to the Board of Public Works, DGS indicated that the program is expected to cost up to \$2 billion annually. Due to HB 824's expansion of benefits, the Maryland Chamber is concerned that the bill will further increase the expected costs associated with the FAMLI program and further contribute to Maryland's dire economic circumstance.

Additionally, HB 824 proposes an "alternatively qualified" individual to include those who are unemployed. This provision allows individuals who are not employed and not contributing to the FAMLI Trust Fund to receive paid benefits under the program. This raises significant concerns regarding the fairness and sustainability of the program, as it extends benefits to individuals who are not even contributing into the system.

Since 2019, Maryland has had the 6th fewest new business applications, and in 2024, Maryland ranked 49th in job growth. Additionally, Maryland's current business tax climate is ranked 46th. Due to Maryland's slow economic growth and the fact that the Maryland Department of Labor has yet to fully implement the FAMLI program, **the Maryland Chamber respectfully requests an unfavorable report on HB 824.**