TESTIMONY IN OPPOSITION OF SB 355
FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM – DELAY OF IMPLEMENTATION

Senate Finance Committee
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Submitted by Lisa Klingenmaier, Manager of the Time to Care Coalition

The Time to Care Coalition is a statewide coalition of nearly 2,000 organizations and individuals - including non-profits, faith communities, unions, and businesses - working since 2016 to establish a comprehensive paid family and medical leave program in Maryland.

The Time to Care Coalition strongly opposes SB 355, which would leave Marylanders without paid medical and family leave benefits for an additional two years. This bill delays the implementation of the state's Family and Medical Leave Insurance (FAMLI) program by moving the start of contribution collection to July 1, 2027, and the start of benefit claims to July 1, 2028.

The Time to Care Coalition represents the millions of Marylanders who have fought for access to paid leave and are eager to realize the full implementation of the FAMLI program. Passing the Time to Care Act in 2022 was a historic victory for all Marylanders - and it was just the first step in realizing a paid family and medical leave program in Maryland. Since 2016, The Time to Care Coalition has been working to establish - and now implement - a comprehensive paid family and medical leave program in Maryland that follows our five key principles: the program is cost-effective for workers, employers, and the government; covers all working people and applies equally to all working people; reflects an inclusive definition of family and includes the well-established reasons people need paid family and medical leave; provides up to 12 weeks of leave and replaces a substantial share of workers' usual wages; and protects workers against adverse consequences for taking leave.

Delaying implementation of the FAMLI program will harm hundreds of thousands of families, caretakers, service members, and Marylanders going through a medical crisis. According to the latest actuarial study commissioned by the DOL, it's anticipated that the FAMLI program will receive over 165,000 claims in its first year, just shy of 14,000 claims a month.[1] Consequently, a two-year delay in implementation means that over 324,000 Marylanders, who would have had access to paid leave if the program was implemented on time, will instead have to make impossible choices between caring for themselves and their loved ones or maintaining their income and paying their bills. This is the very reason Maryland lawmakers enacted the FAMLI program.

Delaying implementation of FAMLI is counterproductive to the state's goal to end childhood poverty. The Urban Institute found that Maryland's FAMLI program has the potential to reduce the poverty rate by 22% among families receiving benefits.[2] Because these families will not need to access other state-funded programs, the state is expected to spend $28 million less on safety-net programs.[3] Every day the implementation of FAMLI is delayed,

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[1] The Jacob Institute, University of Baltimore. 2024. *Maryland Family and Medical Leave Insurance Program – Phase II: Analysis of Expected Program Claims and Administration Expense.* https://www.jacobfrance.org/wp-content/uploads/Phase-II-Final-Report-for-Task-2-01312024.pdf

[2] Urban Institute. September 2024. *Impact of Paid Family and Medical Leave in Maryland: an Analysis of the Maryland Family and Medical Leave Insurance Act. https://www.dol.gov/sites/dolgov/files/WB/pdf/ImpactPFMLMaryland.pdf*

[3] Ibid.

Maryland families needlessly fall into poverty without access to paid leave. When families have nowhere else to turn for support, Maryland will bear these costs through spending in our state's safety-net programs.

Extending the time Marylanders must wait to access paid leave hurts our state's economy and small businesses. The Urban Institute study noted that FAMLI will provide a $98 million tax benefit to small businesses, leveling the playing field for small businesses to compete with large corporations and making the state an enticing place to start a business.[4] Moreover, lack of access to paid family and medical leave is a leading reason women leave the workforce; as Maryland already struggles with declining Labor Participation Rates (LPR) for women, further delays to FAMLI implementation further hinders our state's sluggish economic growth.[5] Maintaining the current FAMLI implementation timeline benefits families, businesses, and Maryland's economy.

Delaying the implementation of the FAMLI program will put Maryland behind other states. As it stands, three states that passed paid leave legislation after Maryland – Delaware, Minnesota, and Maine – will fully implement their programs before Maryland does, leaving our residents waiting.[6] While Maryland was lauded as a national leader in paid leave policy when we passed the Time to Care Act in 2022, each year the programmatic implementation gets further delayed other states take up the mantle and lead ahead of us, leaving Marylanders behind.

The Time to Care Coalition strongly opposes prolonging the implementation of the FAMLI program beyond its current timeline. Since Time to Care was passed in 2022, the implementation timeline has already been delayed twice through legislation in the 2023 and 2024 legislative sessions. Our coalition supported those delays, as they were necessary to ensure DOL had adequate time to build the systems and teams needed to accept contributions and pay out benefits. We cannot support further delays. Marylanders are eager to access this critical program they have waited for, and further implementation delays are untenable.

The Time to Care Coalition appreciates your consideration and strongly opposes SB 355.

[4] Ibid.
[5] Bipartisan Policy Center. October 2023. *Women in the Workforce Need Family-Focused Policy.* https://bipartisanpolicy.org/blog/women-in-the-workforce-need-family-focused-policy/
[6] A Better Balance. 2025. *Overview of Paid Family and Medical Leave Laws in the US.* https://www.abetterbalance.org/family-leave-laws/