



Senate Bill 355

Family and Medical Leave Insurance Program - Delay of Implementation

February 5, 2025

Position: **SUPPORT**

Madame Chair and Members of the Senate Finance Committee:

The *Restaurant Association of Maryland* strongly supports Senate Bill 355, which would delay the implementation of Maryland's new Family and Medical Leave Insurance Program (FAMLI).

Given the many challenges facing the restaurant/foodservice industry, the FAMLI payroll deductions scheduled to begin on July 1, 2025 would be bad timing for our businesses that are struggling to stay afloat.

On top of inflation and soaring food costs, the restaurant/foodservice industry is grappling with an acute labor shortage. And industry labor costs have increased 31 percent since 2019. Additional labor costs would only exacerbate the problems.

Many restaurants are experiencing lackluster sales and are still trying to pay off debts incurred during the COVID pandemic. Due to lifestyle changes and remote work policies for many office employees, customer volume has not returned to pre-pandemic levels. And families have less disposable income to spend eating out. With razor-thin profit margins and flat sales, it is becoming increasingly difficult for many restaurants to survive. A recent *Baltimore Sun* [article](#) reported multiple restaurant closures in Baltimore's Fells Point this month alone.

For these and other reasons, the implementation of FAMLI should be paused for two years in hopes that the business climate and economy will improve by then. We respectfully request a favorable report for Senate Bill 355.

Sincerely,

A handwritten signature in black ink, appearing to read "Melvin R. Thompson", with a long, sweeping underline.

Melvin R. Thompson
Senior Vice President
Government Affairs and Public Policy