## Testimony in Opposition of SB 355 Family and Medical Leave Insurance Program – Delay of Implementation Senate Finance Committee February 5, 2025

Submitted by Nat Baldino, Policy Analyst, The Center for Law and Social Policy

Members of the Committee,

Thank you for the opportunity to provide a public comment on SB 355, which would delay the implementation of the FAMLI program. The Center for Law and Social Policy (CLASP) is a national, nonpartisan, nonprofit advancing anti-poverty solutions that remove barriers blocking people from economic security. We work at both the federal and state levels, and have long worked with state administrators of paid family and medical leave programs. We've contributed to the rulemaking process, facilitated an inter-state learning community of administrators, and provided technical assistance to many states, including Maryland. As a DMV-based organization, the success of Maryland's FAMLI program is of special significance to us.

We are writing today in strong opposition to SB 355. Maryland's passage of the Time to Care Act of 2022 was an historic victory for Maryland, and we commend the new FAMLI division for its tireless work in ensuring a strong program. Almost a year ago, CLASP wrote in support of HB 571, which delayed the implementation timeline, moving contributions collections to July 1, 2025 and benefits rollout to July 1, 2026. We supported this previous delay under the belief that it is best to have a paid leave program that is functional and accessible to administrators, employers, and workers.

After decades of work providing technical assistance to state administrators of paid family and medical leave programs, we have collected many lessons learned on program implementation. Of all of the currently operational PFML programs, not a single one has required the delayed timeline proposed by SB 355. Most states have required 2-3 years total from enactment to the rollout of benefits. The longest timeline was the rollout of Oregon's paid leave program, which required 4 years and 1 month.<sup>1</sup> The possibility of delaying the rollout of Maryland's paid leave program by moving the start of contributions collection to July 1, 2027, and the rollout of benefits to July 1, 2028 is almost double the average timeline.

## Not only is this proposed delay unnecessary based on the available data of existing program timelines, but it is costly to working Marylanders. Recent actuarial studies

<sup>&</sup>lt;sup>1</sup> A Better Balance, 2024. *Paid Leave Program Implementation Timelines.* <u>https://www.abetterbalance.org/wp-content/uploads/2021/07/Paid-Leave-Program-Implementation-Timelin</u> <u>es\_3.16.23.pdf</u>

anticipate over 165,000 claims for the first year of FAMLI.<sup>2</sup> Every extra year that Maryland waits to implement FAMLI means hundreds of thousands of needs for leave will go unmet, forcing working families to choose between their paycheck or taking the time they need to care for themselves or a loved one.

## Further, delaying the implementation of FAMLI will create a weaker program over time.

While all state paid leave programs require continuous evaluation and improvement, many of these improvements are only realized once administrators are able to see how a program works, connect with other states and advocates to troubleshoot, and collect data. We have seen firsthand how, through program rollout, states have been able to course correct through both statutory and legislative changes. Every year that Maryland delays implementation is another year of evaluative data lost, where the program could instead be becoming stronger. Sticking to the latest implementation timeline ensures that Maryland stays at pace with its peer states and can continue improving its program through practice.

## CLASP appreciates your consideration and opposes SB 355.

<sup>&</sup>lt;sup>2</sup> 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