

## MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SB 355

TO: Finance Committee  
FROM: Maryland Department of Labor  
DATE: 2/5/2025  
BILL: Family and Medical Leave Insurance Program - Delay of Implementation

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### MDL POSITION: Informational

SB 355 proposes to delay the implementation of the Family and Medical Leave Insurance (FAMLI) Program for two years. The bill shifts back the start of collections, the issuance of benefits, and other relevant dates.

The Time to Care Act, which established FAMLI, was passed in 2022. FAMLI will ensure workers have paid family and medical leave to take time away from work, receive job protection, and earn up to \$1000 a week for up to 12 weeks continuously or on an intermittent basis. The FAMLI system is designed to provide flexibility for employers to select a plan that works best for their companies and workers. When benefits become available, workers will receive job protection and partial wage replacement from either MD Labor's fund or their employer's private plan.

Since the establishment of the FAMLI Division within MD Labor in April 2023, MD Labor has focused on building the best system to ease administration for employers and efficiently deliver benefits for workers. Before contributions are first remitted, MD Labor is working towards:

- building agile digital systems;
- establishing bulk uploading capabilities for Third Party Administrators (TPAs);
- establishing secure banking capabilities;
- integrating digital and financial systems;

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- raising awareness through regular webinars, presentations, canvassing main streets, and launching an extensive communications effort;
- standing up a call center; and
- partnering with our sister agencies and vendors to combat fraud and cyber attacks.

In FY23, FY24, and FY25, FAMLI's administrative costs were funded through a mix of ARPA dollars, the dedicated purpose account, and general funds. The current FY2026 operational budget for FAMLI plans to rely on contributions beginning on July 1, 2025. The budget allocation consists of obligated ARPA funds and the newly established FAMLI Trust Fund, which would contain new funds collected in FY26 from FAMLI contributions. SB 355 would delay contribution collections and therefore would remove the planned source of administrative funding for FAMLI in FY26 and FY27. An alternative budget source would be required to continue implementation efforts for FY26 and FY27.

The Department respectfully requests the Committee consider this information on SB 355.

*For questions, please contact Andrew Fulginiti, at [Andrew.Fulginiti@maryland.gov](mailto:Andrew.Fulginiti@maryland.gov).*