



Opposition to SB 539

“Family & Medical Leave Insurance Program” Submitted to the Senate Finance Committee

February 27, 2020

Dear Chairwoman Kelley and Members of the Committee:

Maryland Society for Human Resource Management State Council, Inc. (“MD SHRM”) represents more than 7,000 HR professionals across the state. MD SHRM is acutely aware that family and medical leave laws are on the rise and paid time off to care for family and serious health conditions can be a rewarding benefit. MD SHRM is not opposed to family and medical leave, and, in fact, offered proposed revisions and amendments to the bill last fall. However, MD SHRM does have significant concerns with the implementation and compliance with **SB 539** and is in opposition to the bill as written. MD SHRM opposes the bill for the following reasons:

It creates undue financial and administrative burdens, particularly for small employers and non-profits. HR professionals are charged with administering employer leave and benefit programs. At present, Maryland and the federal government require employers to provide a significant number of leave benefits. Maryland alone mandates that employers offer Maryland sick and safe leave, Maryland Parental leave, Maryland Flexible leave, Organ Donor Leave, Maryland Military Leave for Deployment of Family members , Voting leave, Montgomery County Sick and Safe Leave, Jury Duty, Pregnancy leave, FMLA and disability. Moreover, the definitions and requirements of the bill do not align with the federal FMLA or existing Maryland leave laws; expanding definitions of use and eligibility; allowing for inconsistent application and confusion.

Most small employers and non-profits cannot afford full time HR professionals or employment attorneys to properly navigate the all of the state and federal mandated leave laws. Thus, leaving these employers to do the best they can while facing significant penalties and fines if they make one mistake.

The bill does not allow for the coordination or flexibility of all paid leave and benefits an employer offers. The Bill states that an employer may opt out of the program only if they provide a plan that meets or exceeds the requirements of the bill. Employers who provide some paid family leave or insurance would not qualify. Thus the employer would have to offer two separate plans or choose one. This bill actually provides a disincentive for employers to provide alternative options. Employers who can provide paid leave do so and do so with many alternative options. Small business employers who financially cannot will

not be able to support such a program in addition to the already numerous programs that exist.

This mandate of paid family and medical leave for all employers regardless of size is not feasible for MD SHRM to support. It places significant challenges on small employers by providing up to 24 weeks of leave in one calendar year, mandating that an employer hold the job open. With employees absent for extended periods of time, employers, in order to operate the place of employment, must cover the employees' shift or work, hire an unskilled temporary employee or not have the work done. HR professionals and employers have firsthand knowledge of the challenges that this bill presents. MD SHRM seeks to work with the bill proponents to establish a more balanced and administratively feasible family and medical leave insurance program that this bill, as written, ignores.

For the reasons outlined above, **MD SHRM strongly urges your unfavorable vote for SB 539.**

Respectfully submitted,
Cheryl U. Brown
MD SHRM Governmental Affairs, Chair