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February 27, 2020

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**Laura Howell,**  
Executive Director

**Letter of Information**

SB 539: Labor and Employment – Family and Medical Leave Insurance Program --  
Establishment

Dear Chairwoman Kelly and Members of the Committee,

The Maryland Association of Community Services (MACS) is a non-profit association of over 100 agencies across Maryland serving people with developmental disabilities (DD). MACS members provide residential, day and supported employment services to thousands of Marylanders, so that they can live, work and fully participate in their communities.

I am writing to share information regarding the potential impact of SB 539 on community-based providers of services to Marylanders with developmental disabilities, and the people they support. The intent of SB 839, to assist employees who need leave in order care for a family member or loved one, is a goal that DD providers support, which is why MACS supported the Maryland Healthy Working Families Act in 2017.

However, the financial and administrative challenges raised by SB 539 threaten to negatively impact some segment of the 17,000 Marylanders with disabilities and their families that DDA-licensed providers support. While some caregivers will certainly be helped by SB 539, the impact of the bill on services with high vacancy and turnover rates will, we fear, have a negative affect on others. Currently, providers struggle to maintain full staffing, and if they are unable to do so for extended periods of time, the supports that people rely on are jeopardized.

MACS is concerned that the current workforce crisis will be exacerbated when providers are unable to find qualified replacement staff for employees who might be eligible under the bill for up to twenty-four weeks of leave-- in addition to any accrued vacation leave.

Additionally, the vast majority of DD providers are nonprofit organizations that rely on funding from the State and Federal governments. Unlike other businesses, DDA-licensed Medicaid providers are prohibited from passing on cost increases to the people they support. The unfunded employer mandate proposed by this legislation raises concerns for DD providers, many of whom are already operating on thin margins due to a state reimbursement rate that hovers near minimum wage for direct support workers—a rate that is responsible in large part for the historically high vacancy and turnover rates that DD providers are facing.

Alternatively, asking low-wage workers to bear the cost of the program outlined in SB 539 would negatively affect the direct support workforce, many of whom cannot afford to lose any additional funding from their paychecks. While the bill would provide a benefit to some members of this workforce, MACS is very concerned about a mandate that would further reduce the take-home pay of already low- wage workers who, if given the opportunity, might prioritize take-home pay over the paid leave benefit.

It is possible that in future years, once the State has completed the rate-setting process that is currently underway and adequately funded DD services, a family and medical leave insurance program may only have a positive affect on the strength of community-based DD services. Until that time however, we fear the legislation will exacerbate the problems of a system already in crisis.

Sincerely,

Laura Howell  
Executive Director