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TESTIMONY IN SUPPORT OF HOUSE BILL 988:
Family and Medical Leave Insurance Program - Modifications

TO: Chair C. T. Wilson and Members of the House Economic Matters Committee

FROM: Ioana Stoica, Policy Advocate

DATE: March 3, 2023

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that advocates for better jobs, skills training, and wages for low-income workers and job seekers in Maryland. JOTF strongly supports House Bill 988, which modifies the Family and Medical Leave Insurance (FAMLI) Program by specifying various aspects of programmatic implementation, administration, and the cost-sharing split.

Passing the Time to Care Act of 2022 last legislative session was a historic victory for all Marylanders - and it was just the first step in realizing Paid Family and Medical Leave in Maryland. The critical work to create and implement an accessible, equitable, and robust FAMLI program is the next major step in fulfilling the promise of the Time to Care Act of 2022, and the General Assembly still has a key role to play in this collective effort. **Passing HB 988 will set important parameters for the FAMLI program, putting the program firmly on the path toward successful implementation.**

The Pew Research Center performed a study on paid family and medical leave based on two nationally representative online surveys conducted in 2016. The study found that 27% of adults employed in the previous two years reported taking parental, family, or medical leave during that period, while 16% said they needed or wanted to take these types of leave during that period but were unable to do so. The Pew Research Center reports blacks and Hispanics, those without a bachelor's degree, and those with annual household incomes of less than \$30,000 are more likely than whites and those with more education or higher incomes to say they were not able to take leave when they needed or wanted to. According to the 2016 survey, employees that received only some pay or no pay when they took family or medical leave did the following: 78% reduced spending; 41% shortened their leave duration; 37% took on debt; 33% delayed paying their bills; and 17% went on public assistance.

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Paid Family Leave programs help keep families above the poverty level. Too often, the pay gap that occurs when a new mother must take unpaid leave after giving birth, combined with the increasing expenses of child care, sets families back for years to come. One study found that a significant share of bankruptcies follow a worker missing two or more weeks of work due to illness, or the illness of a family member. The benefits of paid family and medical leave are largest for those with limited education and lower incomes, as these workers currently have the lowest levels of access to any form of leave, paid or unpaid.

In particular, HB 988 sets the contribution rate for the program with a cost-sharing split of 50% employees, 50% employers. This is fundamentally important, as it keeps the program affordable and equitable for both employers and employees in Maryland. A 50/50 cost-sharing split is in line with most other states - including our neighboring state of Delaware - that have recently passed FMLI programs.¹ Maryland passed one of the strongest and most comprehensive FMLI programs in the country, and this sponsor amendment to create a 50/50 cost-sharing split is of the utmost importance to ensure our program centers the needs of both employees and employers, continuing to set the bar as a national model.

We urge a favorable report of House Bill 988, as it would ensure that millions of hard-working Marylanders, in particular low-income workers who are least able to lose even a single paycheck, are able to take necessary time off for family and medical life events without the risk of falling into poverty. This bill brings us one step closer to a more prosperous and vibrant economy in Maryland, where all workers have the necessary workplace supports to thrive and successfully balance work and life. **The Job Opportunities Task Force appreciates your consideration and strongly urges a favorable report on HB 988.**

For more information, contact:

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¹ A Better Balance. 2023. Comparative Chart of Paid Family and Medical Leave Laws in the US.
<https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/>