gbc POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE ECONOMIC MATTERS COMMITTEE

HOUSE BILL 839 – LABOR AND EMPLOYMENT –
FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM – ESTABLISHMENT

February 24, 2020

DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE

Position: Oppose

House Bill 839 would establish the Family and Medical Leave Insurance Program to be administered by the Department of Labor. It would provide up to 12 weeks of benefits to an employee for certain reasons, including to care for a child after birth or adoption, to care for a seriously ill family member, because of a personal health condition, to care for a service member who is the employee's next of kin, or because the employee has a need arising out of the deployment of a service member who is a family member.

The program would be funded with contributions from employees, employers, as well as self-employed individuals who choose to participate. The rate of contribution would be limited to 0.5% of an employee's wages, would apply to the social security wage base, would be shared equally by the employer and employees, and must be sufficient to fund the benefits payable through the program.

Maryland's businesses and non-profit employers are already adapting to the state sick leave mandate as well as the gradual increase to a $15 minimum wage. This new mandate would create additional costs and administrative burdens on businesses already struggling to meet the requirements of current law.

The leave taken under this new mandated program would run concurrently with eligible leave that an employee could take under the Federal Family and Medical Leave Act (FMLA), but the definitions of covered events are very different. This could be an administrative nightmare for both the program administrator and employers trying to determine eligibility. Congress currently has several paid family leave bills pending, and the GBC would recommend deferring to the federal government to adopt such a program that is consistent with existing federal law.

House Bill 839 is also inconsistent with two of the key tenets in *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland,* a report published by the Greater Baltimore Committee that identifies eight core pillars for a competitive business environment and job growth:

> **Competitive costs of doing business.** Public policies must reflect a government predisposition to nurture business growth and to avoid arbitrarily or disproportionately imposing additional overhead upon the business sector.
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> **Regulatory policies that are streamlined, stable, and predictable.** Maryland must project to businesses within and outside the state that its government regulatory policies are reasonable, relevant, free of surprises or redundancy, and considerate of businesses' sense of urgency.

For these reasons, the Greater Baltimore Committee urges an unfavorable report on House Bill 839.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 65-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.