



*To Lead, Advocate and Connect as the Voice of Business*

## **Senate Bill 211 - Family and Medical Leave Insurance Program - Establishment**

Finance Committee

January 28, 2021

### **OPPOSE**

The Montgomery County Chamber of Commerce (MCCC), as the voice of Montgomery County business, **opposes Senate Bill 211**. Senate Bill 211 generally provides up to 12 weeks of benefits to an employee who is taking partially paid or unpaid leave for certain reasons, except that an additional 12 weeks for benefits appears to be provided in certain circumstances. Leave with benefits is provided for the following reasons: 1) to care for a child during the first year after the child's birth or after the placement of the child through foster care or adoption; 2) to care for a family member with a serious health condition, 3) because the employee has a health condition that results in their being unable to perform the functions of their job, 4) to care for a service member who is the employee's next of kin, or 5) because the employee has an exigency arising out of the deployment of a service member who is a family member.

The bill establishes the FAML I Fund, which will consist of contributions from employees and employers. Beginning January 1, 2022, each employee and employer shall contribute to the fund at a rate to be set by the Maryland Department of Labor. Self-employed individuals may also participate.

There are any number of additional nuances and complexities outlined in the language, and MCCC is very concerned that the implementation of this legislation will result in additional costs and administrative burden to employers, specifically small businesses. Over the last four years, the General Assembly has passed legislation requiring (small) businesses provide paid sick leave and reach a minimum wage of \$15 by 2025. While both are important supports for employees and Maryland's workforce, MCCC has concerns that the addition of an employer supported FAML I requirement is too much, too soon. Businesses must be given time to absorb prior legislation and its impact to their bottom line.

While MCCC agrees with the intent of the legislation in seeking to help employees balance the challenges between work and life, we do not believe that this legislation appropriately balances those goals with economic realities faced today, particularly as a result of the pandemic. For the aforementioned reasons, **the Chamber opposes Senate Bill 211 and respectfully urges an unfavorable report.**

*The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 400 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.*

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