

Committee on Labor and Public Employees

Public Testimony of the Connecticut Women's Education and Legal Fund (CWEALF)

S.B. 881: *An Act Establishing a Paid Family and Medical Leave Program*

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The Connecticut Women's Education and Legal Fund (CWEALF) is a statewide, nonprofit organization that advocates for and empowers women and girls in Connecticut, especially those who are underserved or marginalized. For forty-five years, CWEALF has been a leading advocate of policy solutions that enhance women's economic security and combat discrimination at work.

We largely support the Governor's paid family and medical leave bill, S.B. 881: *An Act Establishing a Paid Family and Medical Leave Program*, which will allow workers to take up to 12 weeks of job protected, paid family and medical leave. As a Campaign, however, we have concerns about the accessibility and inclusiveness of the Governor's proposed paid family and medical leave program.

CWEALF leads the CT Campaign for Paid Family Leave with a Steering Committee of five other organizations: AARP-CT, Make the Road CT, Planned Parenthood of Southern New England, SEIU 32BJ and Working Families. Since 2012, the Campaign has advocated for the passage and implementation of a comprehensive system of paid family and medical leave.

Our coalition includes more than 75 organizations across Connecticut that represent a variety of interests: elder care, women's health, children's groups, special needs, labor unions, religious groups, low-income advocacy organizations, long-term illnesses and pediatrics. Approximately 100 small businesses are official supporters of the Campaign and a sensible wage replacement system that benefits both workers and employers.

CWEALF applauds the Governor for including paid family and medical leave in his campaign platform last fall, and for continuing that support in his introduction of S.B. 881 and first state budget proposal. It's not a secret by now that Connecticut workers need, and overwhelmingly support, comprehensive paid family and medical leave.

For additional background information on why paid family and medical leave is critical to workers, business, and the economy, [please refer to CWEALF's testimony in support of S.B. 1 and H.B. 5003.](#)

Senate Bill No. 881 aligns with several of the values of the Campaign for Paid Family Leave because it creates a paid family and medical leave program that provides up to twelve

weeks (plus an extra 2 weeks for pregnancy complications) of job protected paid family and medical leave to all workers.

While certain components of S.B. 881 are strong, we recommend strengthening a few elements in order to create a truly accessible and inclusive system of paid family and medical leave that Connecticut workers need and deserve.

High Wage Replacement is a Racial Justice Issue and Keeps Families out of Poverty

First, S.B. 881 creates a wage replacement scale that provides 90% of a worker's weekly wage, up to 40 times the minimum wage as a base for wage replacement. In addition, workers who earn above that base will receive 67% of their additional earnings, up to a cap of 60 times the minimum wage. Under the current minimum wage, that amounts to just over \$600/week.

This formula for wage replacement will not enable working families to meet basic needs. Research from United Way's 2018 ALICE Report found that 40% of households in Connecticut cannot afford basic necessities such as childcare, transportation, health care, and food. These families are one missed paycheck away from financial strife as is, even without the sudden added stress of a personal or family medical emergency. Workers in our state need access to real paid leave that provides high wage replacement to ensure that they do not miss out on any of their earnings when they need to care for themselves or their families.

High wage replacement is also a critical racial justice issue. People of color, who are overrepresented in low-wage jobs, are currently least likely to have access to paid leave and due to institutionalized racism, also face mounting health and economic disparities. The Campaign recommends significantly increasing (from 67%) the amount of wages above the 90% of the minimum wage threshold, as well as increasing the cap on maximum wage replacement to well above 60 times the minimum wage.

Workers Need an Inclusive Definition of Family that Supports LGBTQ Families

Second, while S.B. 881 expands on FMLA's definition of family to add care for a sibling, grandparent, grandchild, and child of any age, it falls short of including care for chosen family. A paid family and medical leave program that is truly accessible covers all workers, regardless of who they care for or depend on for care.

Due to cultural, economic, and social forces, the overwhelming majority of households today depart from the "nuclear family." This is especially true for older LGBTQ adults, who are nearly twice as likely to live alone, and are less likely to have support from biological family when they need care. In a recent survey, 42% of LGBTQ adults between the ages of 45 and 64 said that they would depend on close friends in an emergency, compared to 25% of the general population.

More than 378,000 households in Connecticut, or 28% of all households in the state, consist of an individual who lives alone. In an emergency or during an illness, many of these individuals rely on care from chosen family. Additionally, more than 80,000 residents in Connecticut live with an unmarried partner. All workers, regardless of marital status, should have the right to care for the people they love.

This year, Connecticut has an opportunity to serve as a national leader and pass one of the strongest, most inclusive paid family and medical leave policies in the country by expanding FMLA's definition of family to include "any other individual related by blood or whose close association with the employee is the equivalent of a family relationship." This language is included in S.B. 1 and H.B. 5003 and is strongly supported by the Campaign.

A Publicly Administered Program Ensures Transparency, Lower Costs, and Portability for Workers

Section 8 of S.B. 881 allows employers to apply to the Administrator for approval to meet their obligations of paid family and medical leave under a private plan. A private plan must have all of the same rights, protections, and benefits provided to employees as the state program, impose no additional conditions or restriction on the use of family or medical leave beyond those authorized by the state plan or regulations, and cost employees no more than the cost charged to employees under the state program.

Evidence from other state programs show that private plans are not any less expensive than a public plan and instead result in increased costs associated with administrative oversight and regulations. A comprehensive, real paid family and medical leave program must be cost effective and portable for all workers, so that access to paid leave is dependent on a worker's earnings, and not where they work or how long they've worked for. A private option also reinforces the notion of the "boss lottery," or the idea that access to benefits like paid family and medical leave depend on a person's employment with a generous boss or employer.

The Campaign recommends removal of this section from S.B. 881. If this is not feasible, the Campaign recommends adding to the existing list of required conditions for approving a private plan in section 8(1) that the plan must: (1) provide at least the same number of weeks of benefits as provided under the law; (2) provide at least the same level of wage replacement for each of those weeks as provided under the law; (3) provide benefits for the covered care of all family members enumerated by the law; and (4) provide medical or caregiving benefits for any serious health condition as defined by the law.

The Campaign also strongly recommends that any paid family and medical leave program passed here in Connecticut is publicly administered through the Department of Labor to ensure transparency, protect workers' privacy, and remove any profit incentive. Administration of the program by a third party or private insurance company would likely seek to make a profit on paid family and medical leave. A profitable paid leave program would only be possible by increasing premiums, which will make the program unaffordable, or by decreasing overhead/administrative costs, or not paying employees

administering the program a livable wage. Both are anti-worker and diminish the intent of this program. The Campaign urges the Governor and Connecticut lawmakers to pass a program that is administered by the Department of Labor, rather than a quasi-public agency or third party.

Paid Leave Supports Small Businesses

Contrary to the outdated rhetoric that pro-worker policies somehow harm businesses, national research demonstrates that paid family and medical leave boasts strong benefits for businesses and the broader economy.ⁱ Paid leave boosts productivity, attracts top-notch, young workers, lowers expensive turnover costs and fosters a greater attachment to the labor force.

We have learned from other states that paid leave is a major “win” for business. In California, a state with a paid leave program for more than 10 years, almost 90% of businesses surveyed nearly fifteen years after the implementation of paid family leave reported that it had a neutral or positive impact on business.ⁱⁱ Similar research from New Jersey and Rhode Island shows similar results. In 2017, a poll by BLS Research & Consulting found that 77% of small business owners in Connecticut support paid leave legislation. When respondents learned more about the benefits of paid leave, support climbed to 82%.

Employees get sick, have babies, or take on the role of family caregiver, whether or not they have access to paid leave. Current solutions, whether they provide partial pay for as long as the employer can manage or offer some type of short-term disability, are admirable, but costly to small employers. A paid leave program that is entirely employee funded lifts the burden from the employers and shifts it to a system funded solely by small employee payroll contributions.

Access to paid family and medical leave should not depend on what state a worker lives in, where they work or who they work for. As a state, we must escape the false notion that policies such as paid family and medical leave that support workers do so at a cost to businesses. We must invest in policies that prioritize the physical, emotional and financial well-being of our workforce, with the knowledge that this, in turn, will lead to economic prosperity and a competitive state economy.

Connecticut Needs to Compete with its Neighboring States

When the Campaign began in 2012, just two states had passed paid leave legislation – California and New Jersey. Since then, Connecticut has fallen behind and is now entirely surrounded by states with paid family and medical leave. Rhode Island already implemented and currently administers a successful paid leave program. New York passed paid leave in 2016 and Massachusetts passed legislation in July 2018. Vermont, New Hampshire, and Maine are also taking steps to pass paid family and medical leave.

Since 2012, we have watched carefully as these states have passed their own paid leave programs. We have admired their programs' success and taken note of their shortcomings. We have learned from and worked closely with state and national advocates to draft and implement comprehensive, accessible, and affordable paid family and medical leave. This year, Connecticut has the opportunity to pass one of the strongest laws in the country. We cannot miss this opportunity.

The time is now for Connecticut to pass paid family and medical leave to attract a young workforce, remain competitive in our region, and support workers who need to take time off from work to care for their families, recover from an illness, or welcome a new baby. Workers simply cannot wait any longer. We urge lawmakers to work together to pass a strong paid leave program this year. Thank you for your consideration.

ⁱ Applebaum, Eileen and Milkman, Ruth, "Leaves that Pay: Employer and Worker Experiences With Paid Family Leave in California," Rutgers Center for Women and Work, January 2011.

ⁱⁱ See note 3.