



CITIZENS FOR ECONOMIC OPPORTUNITY
Corporate Responsibility Campaign

H.B. 6553 – An Act Establishing a Task Force to Study Family Medical Leave Insurance

My name is Karen Schuessler and I am the Director of Citizens for Economic Opportunity (CEO). CEO is a coalition of community and labor groups addressing health care reform and corporate responsibility issues.

I support H.B. 6553. Family and Medical Leave Insurance is a political, social and workers rights issue particularly since the Family and Medical Leave Act provides for only 12 weeks of unpaid family leave to workers that work at a business with 50 or more employees. This causes many people to make difficult decisions about how to meet the caregiver needs of an ailing loved one and pay the family's bills.

With more than 50% of Connecticut workers not utilizing the Family and Medical Leave Act because they are not eligible, or they don't qualify (they work at companies with less than 50 employees) and or they cannot afford to take unpaid leave, it is even more important that Connecticut offer Family and Medical Leave Insurance. It is a wise investment because workers who have access to paid leave after the birth of a child rely less on public assistance and food stamp benefits.

The aging of our nation's population and the increase in the baby boomer generation will increase the need for Family and Medical Leave Insurance. American families are juggling the burden of work and family needs. Managed care has shortened hospital stays which means that more and more families spend a greater amount of time providing care to a loved one.

California has led the way and enacted the first government run Paid Family Leave program in the United States in July, 2004. The program (The Paid Family Leave Insurance Program) is funded through contributions of workers and provides an additional six weeks of partial wage benefits during a worker's unpaid time off to bond with a newborn, newly adopted, or new foster child, or to care for an ill parent, child, spouse, or domestic partner. Employees receive approximately 55% of their usual compensation from a state insurance program. The program is funded through a 1.2 percent payroll tax paid by workers that covers both state disability and paid family leave. Employees can receive pay for six weeks of leave in a 12 month period. According to the California Employment Development Department, in fiscal year 2009-2010 California had 180,675 paid family leave claims totaling nearly \$469 million.

Researchers from the University of California, Los Angeles, the City University of New York and the Center for Economic and Policy Research, located in Washington, D.C. found that low-wage workers gained the most from the program but they were also the least likely to know about it. The study is based on results from surveys conducted in 2009-2010 of 253 employers and 500 individuals about their experiences with the California leave program. Nearly nine out of ten

employees reported that paid family leave had a positive effect or no noticeable effect on productivity or profitability. Small businesses (those with less than 100 employees) were less likely than larger corporations to report any negative effects.

According to a policy brief by the National Partnership for Women and Families and the National Center on Caregiving entitled, "Paid Family and Medical Leave, Why We Need It, How We Get It," the California law has had little revenue impact on businesses and may improve retention and recruitment. Employees had either cost savings or no additional costs associated with implementation because they temporarily assigned the work of employees to other employees or hired temporary replacements.

New Jersey has also established a paid leave program which took effect in 2009. Employees may receive partial pay to take time off to care for a child, parent, spouse, domestic partner, or civil union partner with a serious health condition, or to bond with a new child.

Family and medical leave must be accessible and affordable. California has shown that family and medical paid leave insurance programs can be inexpensive, supportive of families and good for employers. Meeting the needs of families and caregivers helps the success of our country.

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