

Testifying in Opposition to
HB 6932 An Act Concerning Paid Family Medical Leave

Senator Gomes, Representative Tercyak, Senator Hwang, Representative Rutigliano and members of the Labor and Public Employees Committee:

We represent a coalition of Connecticut business organizations, municipalities, and chambers of commerce opposed to HB 6932.

As many national competitiveness rankings have shown, doing business or running an organization in Connecticut is often costlier and more difficult than running the same business or organization in other states. With every additional workplace mandate we place on employers, the competitive distance between Connecticut and other states is increased.

We do not oppose the idea of an employer-designed paid family and medical leave program as long as it is affordable and meets the needs of both employers and employees. We do oppose, however, the one-size-fits all state mandate as proposed in HB 6932.

More and more employers are accommodating the specific needs of their employees with flexible work hours and creative options such as telecommuting. Today it is far less practical to try to apply a one-size-fits-all workplace mandate than it is to recognize and encourage the wide diversity of solutions and accommodations already in play.

A solution for an office worker is likely not to be as effective or appropriate for a manufacturing employee. Yet HB 6932 would restrict both employers to following a one-size-fits-all approach.

We also oppose HB 6932 because of its cost, especially to Connecticut's smallest employers. The measure is costly for any employee opting into the program because it is funded by another paycheck deduction.

HB 6932 also is costly for employers. Requiring an employer to maintain a job for an employee who is absent up to 12 weeks each year by default also requires the employer to maintain that absent employee's non-wage benefits. Failing to

continue to provide healthcare benefits, vacation, and other non-wage benefits would be deemed discriminatory by this proposal. For most small businesses, it would be impossible to do what this bill asks of them.

Washington State provides a cautionary tale. A less expansive program there carried a price tag of \$1.2 billion per biennium to pay for additional state employees, office space, and the data infrastructure that would have been needed to administer the proposed law.

Seeing this as an obvious red flag, Washington State backed off implementing their program.

Connecticut's Labor Department has said that due to federal law, its current staff cannot legally administer this program. Yet this bill requires the department to make determinations about employee eligibility for the program, review documents relating to eligibility, develop and implement a public education campaign, hold hearings on complaints by those participating in the program, and investigate fraudulent activities by participants.

Notably, these are the same responsibilities required to run Connecticut's Unemployment Compensation Trust Fund --which is the responsibility of hundreds of state employees. What's more, the Labor Department admits it lacks the IT infrastructure to run this program.

Instead of taking the same ineffective one-size-fits-all approach, why not provide a tax incentive for businesses to develop their own paid family leave policies tailored specifically for their employees?

We need policies that will help Connecticut attract new businesses and solidify those already here. Please reject the mandate found in HB 6932, and support policies that will encourage businesses to adopt their own innovative paid leave programs.

The Association of Community Pharmacies
The Bridgeport Regional Business Council
The Builders Association of Eastern Connecticut
The Connecticut Association Of Plumbing, Heating & Cooling Contractors (PHCC)
The Connecticut Bankers' Association
The Connecticut Business & Industry Association (CBIA)
The Connecticut Coalition Of Property Owners
The Connecticut Conference of Municipalities (CCM)
The Connecticut Construction Industries Association, Inc. (CCIA)
The Connecticut Council of Small Towns (COST)
The Connecticut Food Association
The Connecticut Restaurant Association
The Connecticut Retail Merchants' Association (CRMA)
The Connecticut Society of Certified Public Accountants
The Credit Union League of Connecticut
The East of the River Chambers of Commerce Association (ERCCA)
The Greater Danbury Chamber of Commerce
The Greater Manchester Chamber of Commerce
The Greater New Britain Chamber of Commerce
The Greater New Haven Chamber of Commerce
The Home Builders & Remodelers Association of Connecticut
The Home Builders & Remodelers Association of Central Connecticut
The Home Builders & Remodelers Association of Fairfield County
The Home Builders Association of Northwest Connecticut
The Independent Electrical Contractors of New England (IEC-NE)
The Insurance Association of Connecticut (IAC)
The International Franchise Association
The Lumber Dealers' Association of Connecticut
The Metro Hartford Alliance
The Middlesex County Chamber of Commerce
The Milford Chamber of Commerce
The Motor Transport Association of Connecticut (MTAC)
The National Federation of Independent Business (NFIB)
The Northwest Chamber of Commerce
The Waterbury Regional Chamber of Commerce
The Windham Region Chamber of Commerce