



Permanent Commission
on the Status of Women in Connecticut

**Testimony of Tina Courpas, Executive Director
Permanent Commission on the Status of Women in Connecticut
Submitted to the
Connecticut General Assembly
Joint Committee on Labor and Public Employees
February 14, 2019**

Support: S.B. 1
Support: H.B. 5003

Senators Kushner, Osten, and Porter, and Representatives Porter, Hall, and Polletta, and distinguished members of the Labor and Public Employees Committee, thank you for your consideration of the bills listed above. My name is Tina Courpas, and I am the Executive Director of the Permanent Commission on the Status of Women in Connecticut, Inc (the "PCSW").

The PCSW is a non-profit organization formed to carry on the work of the former state agency of the same name. Since our founding we have been and we remain a bipartisan commission with a non-partisan mandate.

We support S.B. 1, An Act Concerning Paid Family and Medical Leave and H.B. 5003, An Act Implementing a Paid Family and Medical Leave Program.

S.B. 1 will create and implement a comprehensive, statewide system of paid family and medical leave ("PFML") for workers to address a serious health condition, the birth or adoption of a new child, or to provide caregiving to a family member with a serious illness. Under the bill, all workers would pay a premium of 0.5% of their weekly earnings. This would allow an employee to receive 100% of their wages, up to \$1000/week for 12 weeks of leave.

According to the Institute for Women's Policy Research April 2018 Report entitled "Estimating the Cost of Paid Family and Medical Leave in Connecticut" (the "2018 Cost Study"), a PFML program would result in 68,000 Connecticut workers per year claiming paid family and medical leave benefits. That estimate was based on 2012-2016 census data, incorporating the ages and relative health of the Connecticut workforce and actuarial likelihood of becoming seriously ill,

having children, or caring for a family member.¹ It was estimated that 60% (40,800) of the total annual claims made under the Bill would be for workers' own serious health conditions, 10% (6,800) to care for a seriously ill family member, and 30% (20,400) for pregnancy or new child leave for mothers and fathers.

I. 70% of Connecticut's usage is estimated to be for paid leave for a worker's own serious illness or that of a family member

The long-established social insurance programs which provide the backbone to our societal safety net were created on the premise that each worker in his/her productive working life is also working in part to fund that portion of their lives when they cannot be so productively engaged. This rationale underlies Social Security, Medicare, the unemployment and disability insurance programs of all 50 states, and all private and public retirement plans.

We believe that replacement of wages for a worker's own serious illness or that of a family member is based on the same fundamental premise, and fully within the purview of a social insurance program. With every paycheck earned in healthy times, workers will put aside a small sum (in the current bill, 0.5%) to fund their own inability to earn wages for that period of their work life, if any, when they are seriously ill, or a family member is seriously ill. From a position of equity, that is - who is paying and who is benefitting – the burden to pay falls substantially equally across all workers, to cover a risk which applies substantially equally to all possible beneficiaries.

The fact that the risk covered by PFML may fall at any time in a worker's productive life (e.g., 20's, 30's, middle age) does not alter the fundamental fact that a debilitating illness prevents a worker from productively working, just as old age does. For those who believe that PFML "goes too far" in extending social insurance, it could be argued that PFML is a vastly inadequate means of providing coverage for the risk it addresses. Whereas Social Security provides a benefit beginning at age 65 until death (full coverage of the relevant period), paid family and medical leave to care for self or a sick relative would artificially cap its own duration at 12 weeks, potentially far below the duration of a debilitating illness.

II. 30% of Connecticut's usage is estimated to be for Family Leave for a father or mother due to birth to adoption of a child

We believe that the rationale for family leave to cover the birth or adoption of a child is also compelling, as it is an important step towards achieving equality of opportunity for Connecticut's women. A recent McKinsey Global Institute study²

¹ Based on S.B. 1 proposed in the 2018 legislative session. We do not believe that S.B. 1 proposed in the 2019 session produces materially different estimates.

² "The Power of Parity: Advancing Women's Equality in the United States", McKinsey Global Institute, April 2016.

stated that “if there is no paid parental leave, women are more likely to drop out of the workforce, thereby increasing the time spent in unpaid care work, and lowering the levels of female representation in the workforce and in leadership positions”. The study further states that making this leave available to fathers as well is not only equitable, but helps lower bias against females in the workplace, and can assist with the sharing of care responsibilities so vital to women’s economic security.

The same study, which compared all 50 states to a state achieving gender equality on a variety of factors, labeled Connecticut as “high” in its reported level of unpaid care work, lack of female participation in leadership and managerial positions, and “very high” in its level of violence against women. The study further maintained that enhancing women’s economic potential is a necessary underpinning to solving other social issues related to gender. That is, economic security for women is the foundation on which to solve problems such as underrepresentation in leadership positions, teen pregnancy, lack of political representation, and violence against women. Without it, these problems are far more persistent. We support PFML in Connecticut as an important step in establishing this foundation.

III. Options to consider for implementing a fiscally prudent bill

The 2016 Implementation Study conducted for the state by the Institute for Women’s Policy Research³ (the “Implementation Study”) estimated that the costs associated with administering a PFML program are equivalent to 5% of benefit payments in any year. Based on the usage numbers in the 2018 Cost Study, this equates to an annual ongoing cost of approximately \$15.9 million per year. In addition, estimated start-up costs would include initial technology development, including hardware, software and programming, salary, benefits, office space and related expenses, etc. The Implementation Study estimates that Connecticut’s startup costs would be approximately \$13.6 million. We understand that these numbers are currently being updated by the Department of Labor, with due consideration for the actual start-up costs that other states have incurred.

In the current climate of fiscal difficulty, we believe it imperative for legislators consider creative possibilities for administering the program in the most cost-effective manner possible. We believe these should include considerations relative to a) providing that an adequate “cushion” is accumulated during any phase-in period to ensure that the program is fully-funded, solvent and self sustaining, and b) outsourcing in whole or in part, the administrative, IT build up, and benefits delivery functions to ensure that the program is established and run as cost-efficiently as possible, and c) exploring bonding options, particularly with respect to IT, through which costs could be bonded over a three-year period and paid back through premiums from employees.

³ “Implementing Paid Family and Medical Leave Insurance in Connecticut,” Institute for Women’s Policy Research.

Thank you again for the opportunity to submit testimony and for raising these important issues for discussion in the Labor Committee. We hope you will consider our organization to be a resource going forward on this and other legislation affecting the women of Connecticut.