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Testimony from Lindsay Farrell, state director of the Working Families Party of Connecticut.

Senator Kushner, Representative Porter, and the members of the Labor Committee:

Thank you for holding this hearing today and for giving us the opportunity to speak **IN FAVOR of SB1 and HB5003 for a Paid Family and Medical Leave Program**. Working Families is a growing progressive political organization that fights for an economy that works for all of us, and a democracy in which every voice matters. We believe that our children's life chances must not be determined at birth, and that America must be a nation that allows all its people to thrive.

Our economy is not working for too many Connecticut workers, whether Black, brown, or white. Pay is unjustifiably low and workers are insecure. Women and workers of color are hit especially hard by gaps in our policies and the unfair practices of many employers. We all want the same things for our families, and here in Connecticut we have an opportunity to come together, as we have in the past, to solve some of our challenges.

There is a substantial body of testimony presented here today about the urgent need in Connecticut for Paid Family and Medical Leave. After advocating for this policy for the better part of a decade, there is a strong awareness at the grassroots level of how long overdue it is, and we saw that in the campaigns and outcomes of many of the legislators who have joined the CGA this year. Our state and our policies simply need to evolve along with our economy, as every single one of our surrounding states has recognized.

26 years ago the Family Medical Leave Act was passed, providing job protection during the arrival of a baby or a serious illness for employees at large companies. But this statute has two major deficiencies:

1. It only gives job protection to employees at companies with at least 50 employees. This leaves about half of the Connecticut workforce (who are disproportionately Black, brown, Queer, and female) vulnerable to job loss if they have a baby, or if they or their family gets severely ill.
2. FMLA has no provision for income replacement when workers are on leave, leaving all low-wage and middle-class workers economically insecure at a time in life when financial instability is the least manageable.

We have heard complaints from the corporate lobbying community about Paid Family and Medical Leave proposals for years. They complain that Paid Family and Medical Leave is too much of an administrative cost, that it is too much of an inconvenience for employers, that it somehow places an undue burden on



businesses. These arguments range from naive to callous. We urge committee members to recognize that this issue is a matter of life and death for many workers and their families. Maternal and infant mortality are on the rise<sup>1</sup>, especially in communities of color, a problem which can be directly addressed by allowing both mother and child the proper time for recovery and care after birth. And recently, an American Cancer Society poll found that often patients selected less-than-preferential treatment options because they could not afford the necessary time off of work for the recommended treatment<sup>2</sup>. This legislation does not invent heart attacks, or cancer, or new babies: these are all challenges families already face, and this legislation proposes a compassionate, sustainable, fiscally responsible program to deal with these realities.

Working Families is aligned with the Campaign for Paid Family Leave in our recommendations for important components of the policy. We applaud the co-chairs of the committee for a strong draft of legislation, which generally meets these principles:

**Principle: No worker left behind.**

- Employees should receive 100% of their weekly earnings, up to a cap of \$1000 per week, so that every worker can afford to take the time they need and actually use their paid leave coverage. This is crucial for low-wage workers, who simply will not be able to make ends meet if they do not have the income they rely on.
- An inclusive definition of families ensures that everyone has the time to care -- no matter who they love, depend on, and consider family. This is particularly crucial for the LGBTQ+ community. In particular, LGBTQ older adults are 4 times less likely to have children and twice as likely to be single, compared to non-LGBTQ peers. Furthermore, than a third of American children have lived in extended family households. 15% of caregivers care for a friend, neighbor, or other “non-relative” chosen family, and African-American caregivers are the most likely to care for chosen family (23%).<sup>3</sup>
- All employees need full job protection, so workers can take paid leave without worrying about retaliation: including losing their job or position, or getting their future hours cut. Workers at smaller businesses are not any less likely to face the kind of major life event that indicates paid family or medical leave, and should not arbitrarily be treated differently. Furthermore, it would be unfair for employees to pay into insurance that they cannot draw upon for fear of losing their job: they would essentially be subsidising the paid leave of workers at larger companies.
- The benefit must be portable from job to job once an employee has earned enough to be vested in the program. This is necessitated by trends in today’s labor market, and is a major reason why the program is paid for through an employee payroll deduction instead of being at the discretion of the employer.

**Principle: Paid Family and Medical Leave that is there when we need it.**

Based on the experience and outcomes in other states, as well as research about the current caretaking burdens today’s workers are juggling, we encourage the committee to protect all of these following parameters:

<sup>1</sup> <http://c-hit.org/2018/10/23/u-s-maternal-mortality-rate-is-disgraceful-worse-for-women-of-color/>

<sup>2</sup> [https://cdn.fsbx.com/vt/59.2708-21/50372409\\_606616016418658\\_6039853822208114688\\_n.pdf/ACS-CAN-Paid-Leave-Surveys-Key-Findings-Press-Memo-FINAL.pdf?\\_nc\\_cat=103&\\_nc\\_ht=cdn.fsbx.com&oh=6ef9d437ef003c7e7f1fc89044ef0b33&oe=5C65BDE1&d=1&fbclid=IwAR00PvB2GDw2dS2kqAq53RNit2LB19cyjLYCbs2Zg5cBYuSmo3-VNUirtc](https://cdn.fsbx.com/vt/59.2708-21/50372409_606616016418658_6039853822208114688_n.pdf/ACS-CAN-Paid-Leave-Surveys-Key-Findings-Press-Memo-FINAL.pdf?_nc_cat=103&_nc_ht=cdn.fsbx.com&oh=6ef9d437ef003c7e7f1fc89044ef0b33&oe=5C65BDE1&d=1&fbclid=IwAR00PvB2GDw2dS2kqAq53RNit2LB19cyjLYCbs2Zg5cBYuSmo3-VNUirtc)

<sup>3</sup> <https://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-united-states-2015-report-revised.pdf>



- Recovering from a serious health condition or injury.
- The birth or adoption of a new child, or foster care placement, for both parents.
- Caregiving for a seriously ill or injured family member.
- Serving as an organ or bone marrow donor.
- Caring for an injured service member.
- Recovery or legal issues associated with domestic or sexual violence.
- Legislation should ensure the time we need: Employees have up to 12 weeks of paid leave (within a 12 month period) to fully recover or be there for family during a qualifying event.

**Principle: A competitive program that works and is financially sustainable.**

- The program should be run through the Department of Labor. A public program administered by the state can cover all employees, whether part-time or full-time, across multiple jobs and career changes, without the additional expenses of profit and executive compensation.
  - A profit-based model would result in high premiums or a high payroll deduction for workers.
  - There are no comparable insurance products on the market to the full PFML proposal in this legislation.
  - The state would need to provide significant oversight anyway, further unnecessarily driving up costs.
  - Wage data privacy is a major concern. The state has access to wage data to determine eligibility, whereas it would be illegal to share wage data with a private entity. The state has the capability to issue regular payments to individuals and to run an appeals process — the state already runs the Unemployment Insurance program with similar administrative functions.
  - No other state (CA, MA, NJ, NY, RI, WA, and Washington DC) has privatized PFML.
- We recommend against any private opt-out options for employers who want to provide their own program:
  - Again, the state will still need to bear the staff and the cost for this additional oversight.
  - Economies of scale in insurance keep risk and cost low for everyone. This is why things like drivers insurance and home insurance are standard. Letting employers opt out to provide an alternative shrinks the pool and weakens the program for everyone, and it also places their employees in a less competitive plan.
  - Employers are still able to expand upon this basic standard if they would like, and the private market may provide additional benefit products as necessary. Employers can offer additional time or additional wage replacement for employees who make more than the \$52k/year protected by the proposal.

**Principle: Avoid partial solutions that only help a handful of workers.**

There are a few legislative proposals and ideas that have arisen that address paid family leave without actually expanding access and affordability. Here are some ideas we urge the committee to reject, should they come before you.



- **Corporate tax credits don't help.**
  - Employer-based tax credits won't guarantee broad access, especially to those who need it the most. This is just an excuse for another tax credit for large, profitable employers who can already provide this benefit.
  - Real PFML is budget-neutral and pays for itself. A tax credit would only hurt our budget while we are in the middle of a revenue shortfall.
  - Real PFML helps small businesses that can't afford paid leave to compete with larger corporations that can. A tax credit would only serve to further line the pockets of the biggest companies at the expense of small and local businesses, while not expanding access to paid leave to more employees.
- **Flex and health savings accounts leave the most vulnerable behind.**
  - A fake PFML savings account alternative would be unrealistic for all but the most highly paid people.
- **Leaving it to the market hasn't worked.**
  - In Connecticut, only 11% of private sector workers and 17% of public sector workers have access to paid leave. For workers with earnings in the bottom quarter of wages, those percentages are only 5% and 14%, respectively. PFML would provide a way to extend paid leave benefits to workers across the income spectrum.
  - Most small businesses cannot afford to provide PFML on their own, even if they want to care for and retain their employees.

**Finally, Working Families would like to register comment on two other bills:**

Proposed S.B. No. 765 AN ACT ENSURING FAIR AND EQUAL PAY FOR EQUAL WORK is a great concept and we support all real steps towards pay equity. It's worth noting that a working woman takes a 4% pay cut for the rest of her career with every child she has.<sup>4</sup> A major contributing factor to this is that women are terminated or punished professionally for their time off work when they have children, so the protections in this legislation would go a long way towards equal pay.

Proposed H.B. No. 6928 AN ACT CONCERNING TEMPORARY EMPLOYMENT AGENCIES AND PAID SICK LEAVE is also a good expansion of the Paid Sick Days law from 2011. Our only critique would be that it does not expand the current standard enough, and will leave Connecticut still woefully behind the other 40+ jurisdictions that now guarantee Paid Sick Days. We recommend significantly lowering the employer size and eliminating the job classifications so that the legislation covers the vast majority of workers.

Thank you for holding this hearing on these important pieces of legislation.

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<sup>4</sup> <https://www.inc.com/betsy-mikel/this-same-life-event-costs-women-4-of-their-salary-while-mens-earnings-increase-6.html>