



YWCA Greenwich

Testimony of Mary Lee Kiernan, President & CEO of YWCA Greenwich,
on behalf of the Board of Directors of YWCA Greenwich
Before the Connecticut General Assembly
Joint Committee on Labor and Public Employees
February 14, 2019

In support of:

**S.B. 1, AN ACT CONCERNING EARNED FAMILY AND MEDICAL LEAVE and
H.B. 5003, AN ACT IMPLEMENTING A PAID FAMILY AND MEDICAL LEAVE PROGRAM**

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, which seek to provide supports and protections for employees in the workplace and most importantly, contribute to women's increased economic security, particularly women of color, and, in turn, a more prosperous Connecticut economy.

YWCA Greenwich is a 100 year-old non-profit organization dedicated to eliminating racism and empowering women, and as the CEO of an organization with 120 employees, 35 full-time included, I will add some management perspective to the following testimony.

A pressing issue for employees is their ability to take a leave in order to care for themselves, a child or a parent for an extended period of time with some level of economic security. SB 1 and HB 5003 present an important opportunity to establish such a security system without creating additional cost for employers who may already have disability insurance and various paid leave policies. In fact, a system funded by employees may save employers significant money in their annual operating budgets that are set aside for the costs of extended leave.

A poll conducted recently by BLS Research & Consulting¹ found that 77% of small businesses in Connecticut support paid family and medical leave legislation. That support increases when business owners learn more about the benefits of paid leave such as the positive effects on job satisfaction and retention. In addition, 79% of Connecticut Business and Industry Association members polled favor establishing paid leave. After more than 10 years of paid leave in California, employers overwhelmingly report positive or neutral impact on their business.²

¹ BLS Research & Consulting Poll June 7, 2017

² Eileen Appelbaum and Ruth Milkman, "Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California"

SB 1 and HB 5003 both create a comprehensive statewide system of paid family and medical leave to better meet the needs of today's workforce. Under the bill, all workers would pay a premium into of 0.5% of their weekly earnings, capped at the social security wage base. This would allow an employee to receive 100% of their earnings, up to \$1000 per week, when they need to take leave for the birth of child, their own illness or to care for a loved one that is ill. As we know, most of these leaves are taken by women.

While these bills will address the long-term economic security of women and especially families of color, please note that these bills provide economic security for all employees. A 2018 study by the Institute for Women's Policy Research (IWPR)³ noted that 60% of leaves under such a program would be for an employee's own health condition; 30% for pregnancy, childcare and bonding; and 10% for caring for another family member with a serious health condition.

As an employer, we know that such a system will encourage employees to remain with their employer instead of separating, will increase job satisfaction, improve workplace culture and enhance employee productivity. Furthermore, such a system will reduce the costs of training replacement employees, as well as the lost revenues associated with disruptions in operations.

To be sure, start-up costs for this employee-funded system are substantial, and this is an issue to be taken seriously in a difficult fiscal environment. According to the 2016 study by IWPR, startup costs of \$13.6 million would be needed.⁴ According to the study, this start-up investment consists of a substantial amount of IT costs. We respectfully ask the Committee to consider whether some IT costs can be outsourced or whether certain IT infrastructure can be bonded over three years, with payback of the bonds built into the premiums charged to employees.

The earlier IWPR study further recommended that premiums be collected for a period of time before payouts to claimants begin, thus insuring the financial viability of the system and minimizing impacts on the State's operating budget, which we fully support. We respectfully encourage the Committee to review outsourcing of additional elements of this system as California, Rhode Island and New Jersey have done. For example, these states use one outside vendor who issues and administers debit cards to access benefits for unemployment insurance, temporary disability insurance (not available in Connecticut) and paid family medical leave benefits.

We respectfully urge the Committee to support both SB 1 and HB 5003 out of Committee and support their passage by the full General Assembly.

Thank you for your consideration.

³ Institute for Women's Policy Research 2018 "Estimating the Cost of Paid Family and Medical Leave in Connecticut"

⁴ Institute for Women's Policy Research 2016 "Implementing Paid Family and Medical Leave Insurance – Connecticut"

