House Committee on Early Childhood and Family Supports March 23, 2017

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Chair Lively and Members of the Committee,

Today I was able to attend the Public Hearing on <u>HB3087</u>, Creates family and medical leave insurance program to provide covered employee with portion of wages while on family medical leave or military leave.

Insurance schemes like this are the way to spread the costs over all employers to benefit all employees, not just allow some privileged employees who happen to have an enlightened employer to take the leave that they need to care for their families. Paid family leave is good for employers as well, as you have heard from some small business owners who testified today. It has been shown over populations that have family leave have better employee retention and recruitment, which reduces employment costs overall.

Some of the testimony you heard indicated that some employees take time to go back to school, or for spring break. That leave is not covered by this bill, and would still be at the discretion of the employer and that leave could be given without pay. This bill, instead, follows the leave that is already protected by the FMLA, but now is given without pay. The pay that the bill guarantees helps the employee and does not come out of the employer's pocket all at once. Instead, as an insurance scheme, the cost is shared between the employer and employee in a scheduled way that can be budgeted by the business.

Like Workers' Compensation, a time-honed and successful employment insurance scheme, HB3087 helps workers take care of their families. As humans, we know that our family members' illnesses, injuries, or the happy and crucial event of the birth or adoption of a child is as impactful as an illness or injury that we suffer ourselves. We need to care for our families.

You will hear about burdens on business, but in our economy in Oregon, families are living on the margin. And these burdens fall disproportionately on women. Necessary expenses in all parts of Oregon, urban and rural, leave families living paycheck to paycheck. Going without any income can put a family behind on bills, leaving them at risk for losing housing, food insecurity, and even losing their jobs. Families who struggle financially may cause more fiscal burden on the state welfare system. If we can provide some support to families as a state, we should do it. It makes both economic and moral sense.

In the testimony, I heard that there could be some issues with drafting of the bill, such as extending benefits to very small businesses, even with only one employee. It is unnecessary to throw the baby out with the bathwater in this case—there are ways to craft the bill to provide some relief of very small businesses, such as a sliding scale rate. But I also appreciated the testimony by the Main Street Alliance and other small businesses, whose testimony suggested that this bill would level the playing field by providing paid leave to all employees, rather than leaving it to voluntary programs by large businesses, who know that these programs are good for their business and can afford it. If it's a good idea as a voluntary program, it's a better idea to spread the costs and provide it to all employees by an insurance system.

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