

**Testimony for the House Committee on Business & Labor and the Senate
Committee on Workforce in support of HB 3031**

March 25, 2019

Chair Taylor, Chair Barker and Members of the Committees:

My name is Andrea Paluso, and I am the Executive Director of Family Forward Oregon and a representative of the Time to Care coalition — a diverse group of over 40 labor, community, business and public health organizations — working together to create a paid family and medical leave program in Oregon. As a coalition, we operate with a set of shared values, which have been guiding our work to craft HB 3031 - the FAMLI Equity Act - and are what guide us in evaluating any other paid family and medical leave proposals.

First among them: caregiving matters. It is the work upon which the rest of our economy is built — even though it often done invisibly and with little to no compensation or recognition. Caregiving is important to raising the next generation, to helping our elders age with dignity, to reducing healthcare costs, to improving childhood outcomes, to building vibrant communities, and the list goes on. An essential program to support family care and caregivers is a paid parental, family and medical leave program.

Because nearly every other country has tested various models for doing this — and because a similar insurance model already exists in six states and Washington DC — we already know a lot about what works. We have seen the data to show that these programs create a win-win for employees and employers and the economy as a whole. An Oregon paid family and medical leave insurance program - like that created in HB 3031 - would operate much like other social insurance programs, including Unemployment Insurance or Workers Compensation. When an employee has a qualifying reason for leave they would apply for wage replacement directly from the state fund for the time they are on leave, much like how a worker would file an unemployment insurance claim.

The state's role in this is important because it means an employer will not need to be involved in verifying the medical necessity of the leave, or have to decide what amount of leave an employee needs, or pay the employee during their leave (unless they choose to augment what the state insurance benefit provides). The employer is simply responsible for:

- 1) using the same combined payroll reporting system they currently use to ensure premiums are paid,

- 2) restoring an employee to their job without penalizing or discriminating against an employee for using time they have earned, and
- 3) posting in accordance with the notice requirements in this bill. Beyond that, the administration of this benefit happens between the employee who needs leave and the state program.

This also means that, even though the employee can receive wage replacement during their leave, their employer is not the one paying it — allowing the employer to use wages they may have otherwise paid to the person on leave to pay a replacement employee if one is needed.

It feels important to note that this bill is not inventing birth, illness or death. These things are already happening – universally. Every one of us will experience all of them if we haven't already. This bill is just helping us plan for and manage these events when they happen.

Right now, employers (and especially small employers) are struggling to afford this benefit for employees they value, and they're doing it on their own. Right now, working people are taking time away from work when a child is born or when a parent is dying - but they are paying too high a cost for it. If you ask an employee to choose between their job and being at the bedside of a loved one in their last weeks or months of life – most of us would leave our job. This is not a choice anyone should have to make – it doesn't serve the workers or employers of Oregon - and it doesn't have to be this way. By passing HB 3031, you help employees and employers to weather these life events and create a way for those valuable employees to care for their families and come back to work.

Ensuring that we all have access to paid parental, family & medical leave, and that our jobs are protected when we need leave, reduces the stigma for needing and using this time, it reduces the experience of on-the-job discrimination faced by caregivers – who are still mostly women, it protects those of us with the least economic security and who are most often working in sectors that have historically been excluded from even basic labor protections. For us, the universality and fundamental accessibility of this program is a critical equity principle to help our state close its historic and current race and gender-based pay and employment gaps. And not just any program does that - it has to be carefully crafted if it is to actually move us toward righting these historic wrongs.

When I began, I noted our coalition's guiding values, and I have shared the full set in OLIS. When you look at the variety of proposals that are before you, we ask that you keep these questions in mind:

1. Will this program be available to all workers, regardless of the size or sector of their employer and whether they work full-time or part-time? Or does it cut out the very workers, disproportionately people of color, women and those in low-wage occupations who are typically cut out of labor protections? We believe it must be universal.
2. Are ALL workers are able to access paid family and medical leave when they need it? Access means they know about the program, they can use the program, they can afford to use the time, and they won't be fired or penalized for doing so. We believe it must be accessible to the people it is designed to serve.
3. Does it recognize the diverse array of Oregon families and care responsibilities that exist today? Or does it perpetuate an out-of-touch definition of a 'traditional', 'nuclear' family? One that is simply no longer how Oregonians think about what 'family' means or how they actually live. We believe it must be available to all - not just some - of Oregon's families.
4. Is the paid family and medical leave insurance benefits portable? Is coverage in the program attached to the worker and not attached to a particular employer? This ensures that if a worker changes jobs or experiences a period of unemployment, they don't have a lapse in coverage.
5. Will the program be administered so there is not a profit-making motive to deny the claims of those paying into the program, or to pad the cost of running the program, or to reduce accessibility to supports and outreach for employees and employers? Will employees of different genders or abilities be rated or charged differently? What kind of public governance and oversight will protect against these things? We believe a publicly owned and administered program is the best way to avoid these pitfalls and ensure public oversight and accountability.
6. Does the proposal offer paid leave that is sufficient in length to achieve key health and well-being outcomes for families? Does it offer leave for the full range of well-established reasons people need time away from work, including OFLA/FMLA covered purposes, military leaves, bereavement leave, and leaves to deal with issues related to domestic violence?
7. Does the program offer time for noncontiguous leave to attend to serious health conditions that don't require leave in full weeks but that do require scheduled ongoing care. Unpaid family caregivers, those caring for aging or disabled family members on a regular basis, are essential to our state's care infrastructure. Without them, more people

have to rely on more expensive institutional care. The support they need looks a bit different than that of a new parent - and we need to build a system that supports them too.

These are essential questions to ask of any program we develop. And we've answered them in HB 3031.

There are a couple of common misconceptions that you may hear about how these programs work in other states. First, it should be noted that paid family leave and temporary disability insurance (or medical leave) are co-managed but function slightly differently in the other states with both these programs. Unlike in New York, New Jersey, California and Rhode Island, HB 3031 - like new laws in Washington and Massachusetts - creates one program: paid family **and** medical leave together. But, to truly understand how paid family leave and medical leave work in other states, you must look at all the laws and rules around each of these programs, and I urge you to remember that as you hear comparisons from others today.

States around the country, like Colorado, Connecticut, Minnesota, Maryland, Vermont, Montana and North Carolina, are all actively considering paid family and medical leave insurance proposals. Rhode Island and California are contemplating expansions to their existing program.

And while we have learned from the programs and proposals in other states, we believe the concept outlined in House Bill 3031 represents the right solution for Oregon. This concept simplifies the administration, uses existing Oregon processes wherever possible, draws on the expertise of agencies administering similar programs, is designed to be self-sustaining and fiscally sound, and provides a benefit that employers and employees need and can afford.

Paid family and medical leave is an issue whose time has come, and we urge your support for HB 3031. Thank you.