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1

Testimony for the House Rules Committee, June 11, 2019
Family Forward and Time to Care Coalition support of HB 2005-3

Chair Holvey and Members of the House Rules Committee:

My name is Andrea Paluso, and I am the Executive Director of Family Forward Oregon and am here representing 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. We are happy to be before you today in support of HB 2005-3. This is a historic moment for Oregon, we led the nation when we created the Oregon Family Leave Act decades ago, and this bill continues that important pro-family legacy.

We are pleased to be before you today with what we believe is a good compromise bill – a bill that garners support from the business community and that will work well for Oregon workers and families. As a coalition, we also operate with a set of shared values, which have been guiding our work on paid family and medical leave for the past three sessions; we believe HB 2005 and the recent -3 amendments also reflect those shared values.

First among our coalition values: 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 insurance program like what is proposed by HB 2005 with the -3 amendments.

An Oregon paid family and medical leave insurance program — like that created in HB 2005-3 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 . The employer is simply responsible for using the same combined payroll reporting system they currently use to ensure premiums are paid and restoring an employee to the same or equivalent job without penalizing or discriminating against an employee for using time they have earned.

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 left to do 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 2005-3, 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 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.

When I began, I noted our coalition's guiding values, and I have shared the full set in OLIS. HB 2005-3 upholds the values of our coalition and all Oregonians in that:

- **Workers will be able to take up to 12 weeks of paid leave with an additional two weeks of paid leave available to birth parents for any pregnancy or childbirth-related condition for birth parents.** Workers who also qualify for the Oregon Family and Medical Leave Act (OFLA) may also be able to qualify for an additional 4 weeks of

unpaid leave for OFLA covered conditions, including bereavement leave, military leave and sick child leave.

- **All workers are covered by the insurance benefit, it is accessible to all, and coverage is portable between different employers.** The insurance follows the worker provided they have earned at least \$1,000 in wages in the base year look-back period. Similarly, all workers are protected against discrimination or retaliation for needing or taking leave, regardless of employer size, industry, or a worker's part-time status. This ensures the workers who most need access to paid leave, disproportionately people of color, women and those in low-wage occupations, are covered and will be able to access leave.
- **The proposal includes an updated version of the definition of "family member" that recognizes diverse families and types of care responsibilities.** Since the overwhelming majority of Oregon's families exist outside of the "nuclear family model" of a married couple and their biological children, it is important that paid leave laws and policies in Oregon apply to all families. HB 2005 recognizes the reality of family diversity by defining "family member" to include "any individual related by blood or affinity whose close association with a covered individual is the equivalent of a family relationship." This "blood or affinity" standard comes from federal law, where it has been used by the federal government, our country's largest employer with more than 2 million workers, for 50 years. We are very pleased to see Oregon adopting the same standard.
- **The program also allows for non-consecutive leave for those with caregiving responsibilities or ongoing regular medical care needs for a serious health condition.** Paid leave in these instances will be available in full-day increments. For example, it will be allowable for a person with an aging parent who needs full-time care to only provide care two days per week and receive this benefit while doing so to balance care being that may be provided by another family member on other days.
- **Employers and employees will both contribute to the program because both derive a benefit from ensuring employees have access to paid leave.** Contributions are capped at 1% of payroll, and of that employees will contribute up to 0.6% and employers with more than 25 employees will contribute up to 0.4%. Smaller employers with fewer than 25 employees are not required to contribute, but if they do, will have the opportunity to qualify for small employer assistance grants to help defray the cost of training replacement workers or overtime expenditures for replacement workers.
- **Paid family and medical leave provides income replacement sufficient to allow workers to take the time they need without jeopardizing their ability to afford basic living necessities, like housing and food.** Very low wage workers, those earning less than 65% of Oregon's average weekly wage, will get 100% wage replacement, with a diminishing percentage of wage replacement as incomes rise.

- **The program will be administered by the Oregon Employment Department and will operate functionally much like Unemployment Insurance**, a proven model housed within the best agency to carry out these functions.

These are essential components of a successful and equitable paid leave program and we believe HB 2005-3 accomplishes these goals. 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 2005 with the -3 amendments. Thank you.