

Connecticut Commission on
Women, Children *and* Seniors



Testimony of
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Commission on Women, Children and Seniors

Submitted to the
Labor and Public Employees Committee
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Re: S.B. 1, AN ACT CREATING A PAID FAMILY AND MEDICAL LEAVE SYSTEM IN THE STATE; H.B. 6212, AN ACT CREATING A PAID FAMILY AND MEDICAL LEAVE SYSTEM IN THE STATE; S.B. 13, AN ACT CONCERNING THE MINIMUM FAIR WAGE; H.B. 6208, AN ACT INCREASING THE MINIMUM WAGE; H.B. 6668, AN ACT CONCERNING PREGNANT WOMEN IN THE WORKPLACE; H.B. 5591: AN ACT CONCERNING PAY EQUITY IN THE WORKPLACE; and H.B.5590, AN ACT CREATING A TASK FORCE TO IMPROVE THE WORKFORCE DEVELOPMENT SYSTEM IN THE STATE OF CONNECTICUT

Senators Gomes and Miner, Representative Porter, ranking members, and distinguished members of the Labor and Public Employees Committee: my name is Steven Hernández, and I am pleased to offer this testimony on behalf of the Legislature's Commission on Women, Children and Seniors. As staff to the legislature, CWCS researches best practices, coordinates stakeholders, and promotes public policies that are in the best interest of Connecticut's underserved and underrepresented women, children and older adults.

Thank you for this opportunity to provide testimony to express the Commission's strong support of several bills that will enhance the lives of women and families in the state.

S.B. 1, An Act Creating a Paid Family and Medical Leave System in the State; and H.B. 6212, An Act Creating a Paid Family and Medical Leave System in the State

Nearly three decades ago, Connecticut became a leader nationally when we enacted the country's first family and medical leave system, which eventually became the model for the federal jobs protection act known as family and medical leave (FMLA).

Connecticut's original model provided workers the security of knowing they could not be fired if they had to take extended leave to care for themselves, a child or a parent. In subsequent years, the law was expanded and became the blueprint for landmark federal law. Today, however, 78% of those eligible for FMLA don't take it because it is unpaid and many employees aren't even eligible for this unpaid leave because their employer doesn't meet the size threshold.

While neither of the proposals before you includes specific language on how you would intend to extend the paid family leave benefit to qualified Connecticut workers, past proposals that have come before this

committee followed the example of California, New Jersey and Rhode Island, all of which have paid family and medical leave systems in place and operating in their states. Some of those key features of the program proposed in the previous bills include:

- Up to 12 weeks of paid leave for the birth or adoption of a child, to care for a family member suffering from a serious illness or to care for one's own illness.
- Participation is mandatory and all employees – state, municipal and private – are eligible for the benefit.
- Employees pay into a trust fund through payroll contributions.
- Employees taking leave receive 100% of their wages up to a maximum of \$1,000 per week.
- Employees have the right to return to their jobs after the leave.
- The program is entirely self-sustaining with administrative costs to run the program paid out of contributions to the fund.

In 2013 the General Assembly created a Task Force to study family medical leave insurance. The Task Force was chaired by our predecessor, the PCSW, and brought a diversity of partners to the table including Connecticut lawmakers, the Connecticut Business and Industry Association, AARP, small business representation, and advocates for individuals with chronic illness, parents, and other key constituencies. The Task Force made recommendations which informed 2015 paid family and medical leave legislation. As such, the elements mentioned above were the result of four years of hard work and negotiation by our predecessor agency and key stakeholders, many of which you will hear testify today. We continue to support these elements.

Some of those negotiated elements included:

- That the program be entirely employee-funded, which was strongly recommended by the business community during Task Force deliberations
- Up to 12 weeks of eligibility, which would bring our benefit in line with the federal FMLA.
- Required medical certification for employee time out of work, just as is currently required under FMLA.
- 100% wage replacement up to \$1,000 per week. This level of wage replacement is necessary for the program to be meaningful, especially for low wage workers, who are the least likely to be able to afford time off and most at risk for leaving the work force.
- Benefits follows the employee, rather than the employer, and are therefore portable.

An actuarial analysis conducted as a result of previous legislation found that the proposal most recently considered by this committee would require an employee contribution of 0.54% of earnings. For a worker earning \$40,000 per year, this would cost a little over \$4.00 per week, or \$215 per year.

The Commission fully supports a system of paid family and medical leave that will benefit every worker in the state of Connecticut – men, women, families – and of all ages – those starting new families, those caring for aging parents and those of any age experiencing a serious illness.

The key to making this benefit work for the state will be in three main areas: Streamlined administration with reduced cost to the state, IT Infrastructure and nimble procurement and workforce practices, and minimized upfront cost to the state. As there are no specific proposals before us to consider how we may accomplish all three of these goals, the Commission is not prepared to comment at this point on how we can achieve saving in these areas. These are complex questions which require a detailed

understanding of what our options are in these three areas and how we can address them while delivering the full benefit in difficult fiscal times.

For this reason and as your staff, the Commission will be hosting an informational and technical forum for legislators on March 2, 2017 in Room 1C of the lob from 2:00 pm – 4:00 pm, to drill down on options to bring down upfront costs by streamlining any government-based administrative infrastructure, while ensuring that the necessary IT infrastructure needed to manage and deliver the benefit is developed and delivered seamlessly. We will host state and national experts on each of these areas, and will invite friends from the executive branch to help assist in your deliberation of available options.

S.B. 13, AAC the Minimum Fair Wage and H.B. 6208, AA Increasing the Minimum Wage

The minimum wage is another area of great concern to the CWCS because women – one of the three target populations we represent – make up the majority of minimum-wage workers.

In Connecticut, half of employed women are concentrated in two groups of occupations, the service industry and sales and office positions, which are among the lowest-paid.ⁱ Moreover, black and Hispanic women are much more likely than white women to work in service occupations.ⁱⁱ Women of color also face a larger gender wage gapⁱⁱⁱ (the result of both gender and race discrimination), thus consequently, a large segment of our population, many of whom are female heads-of-household or primary bread winners in dual-earner families, finds themselves earning wages far below what is needed to be economically self-sufficient in Connecticut.

As women's contributions to family income increases – employed women in dual-earner couples contribute an average of 42.4% to the annual family income – it becomes essential to a family's economic security for the co-breadwinner to have a stable source of income. CWCS supports efforts to increase the minimum wage as a way to bolster women's economic security.

This is not about enriching working people artificially. This proposal would ensure that every worker in the state of Connecticut whom we rely upon for the continued economic viability of the state earns a living wage that keeps them able to do so.

H.B. 6668, An Act Concerning Pregnant Women in the Workplace

CWCS recommends adopting the Women's Law Center recommendations (attached) which would clarify and strengthen Connecticut's current accommodations for pregnant women in the workplace, under Conn. Gen. Stat. 46a-60(a)(7).

H.B. 5591, An Act Concerning Pay Equity in the Workplace

Women suffer wage discrimination across the career spectrum. While pay inequity takes an enormous toll on lower-wage women — especially women of color, who earn between 47 to 60%, on average, of a white male's salary — the wage gap robs higher-earning women, too. In fact, the higher the pay in a career field, the more likely it is that a woman will suffer wage discrimination. This runs counter to the prevailing myth that the pay gap is largely a result of job self-stratification: as the logic goes, women who choose to go into lower-paying, female-dominated professions (such as teaching and social work, for example) cannot expect to make the same as men. In fact, however, female surgeons, financial managers and judges endure a greater wage gap than women in less lucrative fields, making 56%, 56.5% and 74.4% of the male dollar, respectively.^{iv}

The CWCS also supports H.B. 5591 because it is an economic driver and a way to reduce poverty. The current poverty rate for *all* working women in Connecticut is 5.5%. If working women earned the same as comparable men, the poverty rate would drop to 2.4%. The effect on *single* working mothers is even

greater. In Connecticut, nearly a quarter of single working mothers are below the poverty rate (24.4%). If they earned the same as comparable men, their poverty rate would drop to 14.6%.

Connecticut made strides two legislative sessions ago when it enacted a pay transparency bill. It's time now to continue to move the ball until we have a truly level playing field.

H.B. 5590, An Act Creating a Task Force to Improve the Workforce Development System in the State of Connecticut

Under statute, CWCS serves as staff to the Interagency Working Group of the Two-Generational Initiative of the State of Connecticut. In both capacities, CWCS supports H.B. 5590, An Act Creating a Task Force to Improve the Workforce Development System in the State of Connecticut.

CWCS supports the establishment of a task force to study the effectiveness, impact, and cohesiveness of workforce development programs and initiatives in this state, as it supports all well-founded initiatives with the goal of improving workforce development outcomes for low- and moderate-income families.

A vital workforce development system is a key element of two-generational strategy as well. As was recently pointed out in the CWCS report to the legislature^v, “too often families are served through ‘siloed’ systems that result in fragmented services, lessening their impact on improving the lives of children, parents, and families.” One need only acknowledge the number of disparate agencies listed in HB 5590 to realize that the workforce development system in our state has been created as a ‘siloed’ system, and that integration of the services it provides, intentionally, and with the needs of the jobseeker as a central consideration, would certainly benefit jobseekers and the families they seek to support.

Created under Sec. 401 of Public Act No. 15-5, the first two-generational implementation bill in the nation, the Two-Generational Initiative is an education and workforce development bill, the twin goals of which are to increase school readiness/school success and workforce readiness/workforce success.

As the staff to the Interagency Working Group created under that statute, CWCS is regularly engaged with the demonstration sites developing proposed two-generational systems, and coordinates the learning community which is developing the two-generational blueprint for Connecticut. As such, it has capacity to provide support, research, coordination, and advice in promotion of the goals of the task force contemplated by SB 5590. The Interagency Working Group also includes a parent representative from each of the two-generational demonstration sites, fulfilling the statutory requirement that two-generational work be parent-informed, and therefore more likely to reflect the needs of families in service delivery models. For these reasons, it is respectfully requested that the Committee consider inclusion in the membership of the contemplated task force: (a) the Executive Director of CWCS, and (b) representative members of the public who have received workforce development services through existing programming in the state.

ⁱ The Status of Women in Connecticut's Workforce. PCSW and Institute for Women's Policy Research, November, 2014.

ⁱⁱ Ibid.

ⁱⁱⁱ Ibid.

^{iv} Ibid.

^v *A Two-Generational Approach: Reaching Workforce Success and School Readiness*, 2016 Report of the Interagency Working Group, submitted to the Connecticut General Assembly as required by Sec. 198 of Public Act 14-297, submitted January, 2017. Retrieved from: <https://ctcwcs.com/two-generational/>