

STATEMENT FOR THE RECORD
BEFORE THE COUNCIL OF THE DISTRICT OF COLUMBIA
ON THE
COMMITTEE OF THE WHOLE
PAID LEAVE PUBLIC HEARING

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Chairman Mendelson and members of the Council. Thank you for having me here today to discuss the importance of paid family and medical leave to small business owners and their employees.

The Universal Paid Leave Act establishes a paid leave system in the District of Columbia that will provide up to eight weeks of paid family and medical leave to allow employees to care for a newborn baby, six to provide care for a family member or two to recuperate themselves from a serious illness. The program will benefit businesses by lowering turnover, boosting productivity, and enhancing employee morale. This is why it's critical that the City move forward with implementing this law rather than the Council considering amendments that would undermine the benefits it will bring to the District's small businesses.

Small businesses are supportive of paid family leave insurance pools like the one created by the Universal Paid Leave Act, which they realize are the most affordable way for their companies to provide paid leave to their employees. Scientific opinion polling conducted by Small Business Majority in March found a majority of small employers support state-administered paid family and medical leave insurance programs. Additionally, 7 in 10 small businesses already have a formal or informal policy in place when it comes to family leave—time an employee would take to care for a family member with a serious illness or caregiving need. Of those who do offer a family leave policy, 61% offer full or partial pay and 22% offer pay depending on the employee. Additionally, many small businesses have some of parental leave policy in place to allow employees to care for a new child. Twenty-six percent offer maternity leave, and nearly 4 in 10 (37%) offer both maternity and paternity leave.

Some have claimed that guaranteed paid leave programs are harmful for small businesses because they cannot afford to temporarily replace an employee while they are on leave. However, our research shows small businesses understand the need for their employees to have family and medical leave options at their disposal should they need to take them, and that this does not lead to a drastic decline in productivity. Fifty-six percent of small businesses say they simply reassign an employee's workload to another employee temporarily. Only 14% say they hire some sort of replacement.

While the research shows small businesses support paid leave policies and that many already have some sort of policy in place, it's important to note that I've heard support for this policy directly in my conversations with small business owners throughout the District. Many small business owners think of their employees as family, so it's no surprise they support paid family and medical leave proposals. Plus, they allow them to offer an important benefit to their employees that they otherwise would struggle to afford. This levels the playing field for small businesses by allowing them compete with larger employers that are more likely to have the resources to offer robust paid family and medical leave benefits.

Paid leave insurance pools enable small business owners to foster a better workforce while protecting their workers and their bottom lines. The Universal Paid Leave Act provides these benefits to small business employees without creating the complicated administrative burdens on employers that some of the amendments under consideration today would create. That's why we are concerned about some of the proposals under consideration today that would allow the insurance program to continue but some permit some employers to be part of a different system. Allowing some employers to opt-out would shrink the insurance pool and potentially make it harder for small businesses to benefit from the program, while also creating extra enforcement issues for both the City and participating employers.

We hope the Council will consider the risks of these proposals and their potential impact on small businesses and begin implementing the Universal Paid Leave Act as it currently stands.

Thank you.

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