**Testimony of Victoria Veltri**

**State Healthcare Advocate**

**Before the Labor and Public Employees Committee**

**In support of HB 6566**

**February 17, 2015**

Good afternoon, Representative Tercyak, Senator Winfield, Senator Hwang, Representative Rutigliano, and members of the Labor and Public Employees Committee. For the record, I am Vicki Veltri, State Healthcare Advocate with the Office Healthcare Advocate ("OHA"). OHA is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

I appreciate the opportunity to comment on the merits of HB 6566, An Act Establishing A Tax Credit For Employers Who Provide Paid Family And Medical Leave In Excess Of The Leave Required By Law. This concept continues Connecticut's tradition of leadership in promoting equity and fairness for its citizen, and partners with advocate's efforts. The Connecticut Campaign for Paid Medical Leave, created by the Permanent Commission on the Status of Women and the Connecticut Women's Education and Legal Fund, and of which OHA has been an active participant, has championed this concept.

The Family and Medical Leave Act (FMLA) recognizes the importance of being able to care for oneself or family in situations where the additional time is essential to a positive outcome. FMLA eliminates some of the stress associated with qualifying conditions, including a personal or family illness, family military leave, adoption, birth or foster care placement of a child.

While HB 6566's current language incentivizes employers to expand the availability of paid family and medical leave, current law also does not require that this leave period be paid. Hence, any paid leave would qualify for this tax credit.

In order to maximize the benefit of this concept, I respectfully submit that HB 6566 be expanded to require the creation of a plan that provides paid family and medical leave for Connecticut's employees. A minimal assessment on employees' pay would provide funding for the pool, and the CT Dept. of Labor would administer its operation. Although opponents may argue that such an arrangement would unfairly burden many of those it presumes to help, the Institute for Women's Policy Research estimates that less than 0.25% of each employees pay would be necessary to fund an effective and comprehensive program. In addition, the impact of administering the program on businesses would be minimal, with significant promise of benefits. Employees who are sick, or who have family members who are sick, frequently fail to achieve their maximum potential. A recent study by the Integrated Benefits Institute estimates that illness costs the U.S. economy $576 billion a year, with $227 billion of that due to "lost productivity" from employee absenteeism due to illness or from presenteeism, when employees continue to work but function at a lower capacity due to illness. In addition, sick employees increase the risk of spreading their illness to their co-workers, further adversely impacting the business' productivity.

Clearly, healthy employees are more productive, and the promotion of paid family and medical leave will help to ensure that people have an opportunity to heal, or care for a loved one, without the fiscal concerns associated with unpaid leave, and will be able to return to work sooner than if they attempted to work while still in recovery.

This concept is not without basis in Connecticut. When the General Assembly enacted paid sick leave in 2011, employers were understandably concerned about the economic impact that such a policy would have on their business, productivity and profit. However, research has demonstrated that this policy not

only has had minimal or no effect on most businesses, but that the abuse opponents feared would happen has not materialized. Further, employee morale has increased in many businesses, with fewer employees showing up to work sick. The concept promoted by HB 6566 and the recommended changes to the bill represents a logical extension of this idea – that employees need to have the ability to recovery from illness, or to care for a loved one, and not worry about job security or finances, for an appropriate amount of time.

Thank you for your leadership and foresight in this important matter, and thank you for providing me the opportunity to deliver OHA's testimony today. If you have any questions concerning my testimony, please feel free to contact me at victoria.veltri@ct.gov.