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**Written statement by Suzan LeVine
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Thank you, Chairman Cassidy and members of the subcommittee, for the opportunity to submit written testimony as you consider a national paid family leave policy. The bipartisan bill that created Washington's Paid Family and Medical Leave program passed just over a year ago, and as the newly appointed commissioner for the state's Employment Security Department (ESD), which is tasked with implementing the new law, I am pleased to share information about our unique and groundbreaking program with you.

In this Washington, we empathize with the challenge before you. Washington State has designed a program with bipartisan support that meets the needs of both employers and employees. The stakeholders who contributed to what was produced range from the Washington State Labor Council to the Association of Washington Business and many in-between. This diverse representation created legislation with a very strong foundation and exceptional buy-in and dedication to its long-term success.

Developing a Paid Family and Medical Leave program that works for both employers and employees is no easy task. For those in the negotiating room and those following Washington state's journey to make Paid Family and Medical Leave a reality, this bill's passage was nothing short of a miracle. The Legislature was under split-party control at the time, and until the eleventh hour of the longest legislative session in state history its fate was tenuous. The bipartisan group of legislators and representatives for employer and employee interests persisted however, and remained focused on the enormous good this program would do for the people and economy of Washington.

Everyone who was part of Paid Family and Medical Leave's passage and implementation in Washington State are dedicated to its success. Not only because they are elected officials, employers, employees and public servants, but because, just like you, they are parents, sons, daughters, military spouses, grandchildren, grandparents, siblings and partners. Every one of us understands the importance of having time to care for ourselves and those we love. This universal need was the foundation for finding common ground and compromise among a diverse group of negotiators – an effort that resulted in the strongest, most employer and employee-

friendly paid family leave program in the nation. Personally, I'm touched by this effort as a parent, spouse, and a child. Even though I worked for excellent employers, I still had to cobble together maternity leave, sick leave, disability, vacation, and unpaid leave to get the time I needed when my babies were born. And now, with an 80-year-old mother, I need to be there for her as her health declines.

A program for employees and employers alike

Washington's Paid Family and Medical Leave Act was signed into law by Governor Inslee on July 5, 2017. Our program ensures partial wage replacement for up to 12 weeks of leave, as needed, for nearly every worker in Washington. They may take necessary time off to care for themselves or a loved one in times of serious illness or injury, time for both mothers and fathers to bond with a new child, as well as leave for the family of active duty servicemembers for certain military connected events.

Just over a year after becoming law the program is well into implementation by a dedicated team at ESD. While known primarily for being the department that oversees the Unemployment Insurance program, ESD is also a proud partner in our American Job Centers, known in Washington as WorkSource. The addition of Paid Family and Medical Leave to our portfolio emphasizes the important connection this leave has to our workforce and employers and helps ensure greater economic stability for businesses, workers and Washington families in life's most challenging moments.

It is the meaningful relationships ESD has with both employees and employers throughout the state that makes it an ideal home for Paid Family and Medical Leave. Labor and Business were at the table when this law was written, and my department takes seriously the task of implementing Paid Family and Medical Leave in the spirit of balancing the needs of workers and businesses.

What makes Washington's program so unique?

In addition to the bipartisan support this program received, there are a number of elements to Washington's Paid Family and Medical Leave program that make it unique:

- **Shared cost, with relief for small business:** Employees pay roughly 63 percent of the premiums while employers pay about 37 percent. Small businesses, those with fewer than 50 employees, are exempt from paying the employer share of the premiums.
- **Small and mid-sized business assistance:** For small businesses that opt to pay the employer portion of the premiums, as well as mid-sized businesses with fewer than 150 employees, grants of up to \$3,000 are available to offset costs associated with employees taking Paid Family and Medical Leave. When you consider that an employer pays roughly \$1,470 per year in premiums on a \$1 million payroll, grants of up to \$3,000 per employee is significant.
- **Higher wage replacement for lower-wage workers:** Other states with paid family leave found low-wage workers often could not afford to take the benefit because the wage

replacement was too low¹. A minimum wage worker with family responsibilities often struggles to get by on their full salary – a benefit that offers significantly less is often inaccessible. Progressive wage replacement, where lower-wage workers receive a higher percentage of their income while on leave, is a cornerstone of Washington’s program. In fact, Washington is the only state to ensure lower-wage workers receive up to 90 percent of their weekly wage when they take Paid Family and Medical Leave.

- **Portable between jobs:** The number of American workers who work multiple jobs to make ends meet is on the rise². Paid Family and Medical Leave in Washington is portable between jobs – ensuring the benefit covers those with multiple employers and those who leave one job for another.
- **Funded to include technology, outreach and operations development:** With bipartisan and executive support for this legislation, adequate funding was allocated, in the form of a short-term loan, to stand up this vital program. This means building out modern technology, robust outreach and education and customer-focused operations to provide a high-quality product to meet Washingtonians expectations.
- **Most generous allotted leave in the U.S.:** Washington has the most generous benefit of any Paid Family and Medical Leave program in the nation. Workers are allowed up to 12 weeks off for either family or medical leave, or 16 weeks if they experience both events in a given year. In exceptional cases, up to 18 weeks is allowed for those who have complications in pregnancy that results in incapacity. Most workers won’t need the full 12 weeks³ – they can take as little as 8 hours – but Washingtonians will have the peace of mind that the time is there if they need it.
- **Employers can make it their own:** While nearly all employers in Washington are required to provide Paid Family and Medical Leave benefits, there are many ways to make this program work for their business. These includes the option to provide paid family and/or medical leave benefits through voluntary plans. These plans must meet the minimum thresholds of the state plan but allow employers to administer the program themselves, providing greater flexibility to employers. As mentioned above, business assistance grants are also available, and employers may opt to cover part or all the premiums for their workers as an added benefit.
- **A first-in-the-nation approach:** Ours is the first Paid Family and Medical Leave program in the U.S. to be built from the ground up. The other four states that have similar programs already had temporary disability insurance programs, what we call Medical Leave, in place. Those existing programs provided a framework not only for the new paid family leave benefit, but also provided channels to raise awareness amongst eligible workers. We’re rising to the challenge of developing this first-in-the-nation program by being thoughtful, agile and customer-centric. As Hawaii is the only remaining state to

¹ [California Paid Family Leave Market Research](#). Andrew Chang & Co. Sacramento. 2015.

² [U.S. Dept. of Labor, Bureau of Labor Statistics](#). August 2017. (Reported by [Business Insider](#))

³ [Washington paid leave preliminary estimates modeling](#). Randy Albelda and Alan Clayton-Matthews. 2016.

have an existing temporary disability program without paid family leave, nearly all other states will look to Washington for guidance.

Time matters: Why Paid Family and Medical Leave is good now and for the future

Washington workers who need time to heal or recover from their own illness, bond with a new child or take care of a loved one will have this program to support them during these times. The benefits of this program also extend beyond workers to their children, parents, spouses and loved ones. While they may not be in the workforce, they are cared for by those that are. In short, if you are born, live or will die in Washington after Jan. 1, 2020, chances are you'll benefit from Paid Family and Medical Leave.

In addition to the ongoing need to care for ourselves through illness and injury, the landscape of family caregiving is vast and complex. The majority of American households are dual-earner⁴, and fathers are increasingly sharing in the caretaking of children early in life⁵. With 10,000 baby boomers retiring each day, the so-called silver tsunami is in full force⁶, putting more adult children in the position of caring for their own children and their aging parents at the same time. And while women in middle age remain the largest population of caregivers, the largest generation in the workforce today, millennials, are increasingly taking on the responsibility of balancing family caregiving and working⁷.

Evidence shows the small investment in paid time off for workers pays big in terms of more stable workforce participation and better financial stability for families⁸. Time off after giving birth also shows improved health outcomes for babies and parents⁹, as well as having improved health outcomes for the elderly when they have a family member helping with their care¹⁰. The benefits to employers and businesses have also been well-documented. The median cost of replacing an employee is estimated to be about 21 percent of that employee's annual salary.¹¹ Retaining employees, rather than losing them when they need to take Paid Family and Medical Leave, therefore represents a significant cost-savings to businesses – particularly in our state where business assistance grants are available to many employers who have employees on leave.

A few short weeks means time to say hello to a new little one, goodbye to a loved one and peace of mind to care for yourself. A paycheck is essential, but time is irreplaceable. Paid Family and Medical Leave means Washingtonians don't have to choose between the two, and employers don't have to lose workers when life happens.

⁴ [The Time-Squeeze in American Families: From Causes to Solutions](#). Marin Clarkberg, Cornell University/U.S. Dept. of Labor.

⁵ [Pew Research](#). June 2018.

⁶ [The Sandwich Generation](#). Pew Research Social Trends. 2013.

⁷ [Millennials: The Emerging Generation of Family Caregivers](#). AARP Public Policy Institute. May 2018.

⁸ [Economic Benefits of Paid Leave: Fact Sheet](#). Joint Economic Committee. U.S. Congress.

⁹ [Paid Parental Leave in the United States: What the data tell us about access, usage, and economic and health benefits](#). Institute for Women's Policy Research. 2014.

¹⁰ [Best Care at Lower Cost: The Path to Continuously Learning Health Care in America](#). Smith M, Saunders R, Stuckhardt, L. National Academies Press. Washington, D.C. May 2013.

¹¹ [There Are Significant Business Costs to Replacing Employees](#). Heather Boushey and Sarah Jane Glynn. Center for American Progress. 2012.

For better and worse, we are all familiar with circumstances that necessitate Paid Family and Medical Leave. There is no good time to require emergency back surgery, get breast cancer, or care for a dying parent, and even the joy of welcoming a new child into the home comes with challenges. Having financial stability in these times is immensely critical for family and statewide economic health.

I want to thank you again for the opportunity to provide this written testimony on behalf of Washington state. As a national model for Paid Family and Medical Leave is considered, we hope you'll look to our state where a program was developed by individuals from across the political spectrum coming together to craft something that works for families, workers and business owners alike.