



February 1, 2016

Senator Burke Harr, Chair
Business and Labor Committee
Room 2102, State Capitol
Lincoln, NE 68509

Chairman Harr and Members of the Business and Labor Committee:

My name is Ken Smith and I am the Staff Attorney for the Economic Justice Program at Nebraska Appleseed. Nebraska Appleseed is a non-profit, law and policy organization that fights for justice and opportunity for all Nebraskans. Nebraska Appleseed supports LB 850.

Nearly everyone experiences the need to take time away from work to recover from a serious illness or take care of a sick family member or newborn child. However, many Nebraskans cannot take the time they need to take care of themselves or their family without risking their jobs or financial stability. By adopting LB 850, the Paid Family Medical Leave Insurance Act, we can ensure Nebraskans will no longer have to choose between keeping their job and earnings and caring for themselves or their family.

On the federal level, the Family and Medical Leave Act (FMLA) has prevented millions of people from losing their jobs when confronted with serious medical issues. But, the FMLA has significant limitations in how it supports working families. In particular, the FMLA only covers some of the workforce (40 percent) and only guarantees *unpaid* leave, which many workers simply cannot afford to take.¹

LB 850 fills in what the FMLA leaves out, and creates a statewide insurance program that would support workers and businesses. This program, the Paid Family Medical Leave Insurance Fund, consists of contributions from covered individuals collected by way of payroll deductions. However, these deductions are capped so as to not exceed one half of one percent of income over a twelve-month period.

By allowing family members to take a paid leave, LB 850 would provide income stability to families with newborn children. This is critical because having a newborn child is the most

¹ Abt Associates. (2012, September). *Family and Medical Leave in 2012: Technical Report*

expensive health event that families face during their childbearing years.² LB 850 would also encourage workforce attachment. New mothers who take paid leave are more likely than mothers who do not to be working nine to twelve months after giving birth.³ Further, LB 850 would safeguard the income and retirement security of workers who drop out of the workforce to take care of a parent. Nationwide, a worker who is 50 years old or older and leaves the workforce to take care of a parent will lose more than \$300,000 in wages and retirement income.⁴ Lastly, LB 850 would promote financial independence. Nationwide, new mothers who take paid leave are 39% less likely to need public assistance than mothers who do not. Fathers who take paid leave are also less likely to need government assistance.⁵

The insurance program created by LB 850 would be sustained by small payroll deductions and is not a financial strain for employers. In fact, LB 850 could help businesses by reducing worker replacement cost. California implemented a paid family leave program in 2004, and California employers report the program has had either a positive impact or no noticeable impact on turnover, employee productivity, profitability, performance, and morale.⁶

Because LB 850 would allow Nebraskans to take leave and care for their families without sacrificing employment or financial stability, we respectfully urge the committee to advance it out of committee.

Respectfully,

Ken Smith, J.D.
Staff Attorney
Nebraska Appleseed

² Amnesty International. (2010). *Deadly Delivery: The Maternal Health Care Crisis in the USA*. Amnesty International publication. Retrieved 28 January 2016, from <http://www.amnestyusa.org/dignity/pdf/DeadlyDelivery.pdf>

³ Houser, L., & Vartanian, T. (2012, January). *Pay Matters: The Positive Economic Impact of Paid Family Leave for Families, Businesses and the Public*. Center for Women and Work at Rutgers, the State University of New Jersey publication. Retrieved 29 January 2016, from http://www.nationalpartnership.org/site/DocServer/Pay_Matters_Positive_Economic_Impacts_of_Paid_Family_L.pdf?docID=9681

⁴ MetLife Mature Market Institute. (2011, June). *The MetLife Study of Caregiving Costs to Working Caregivers: Double Jeopardy for Baby Boomers Caring for Their Parents*.

⁵ Houser, L. & Vartanian, T. *supra*.

⁶ Appelbaum, E., & Milkman, R. (2011). *Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California*. Center for Economic and Policy Research Publication. Retrieved 29 January 2016, from <http://www.cepr.net/index.php/publications/reports/leaves-that-pay>