

## **Testimony Before U.S. House Committee on Oversight and Reform**

*Tuesday, December 10, 2019*

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*2154 Rayburn House Office Building, Washington, DC 20515*

Chairwoman Maloney, Ranking Member Jordan, members of the committee. Thank you for welcoming me here today.

Greetings from Governor Murphy and the State of New Jersey.

I appreciate you devoting your time to this important issue.

For 7 years, I had the privilege of serving as a regional representative at the US Department of Labor working on these very important issues from Maine to Florida, where I often used New Jersey as an example in our push to lead on leave.

And now as Labor Commissioner, I am proud to be working on best practices in my own state, to support our workers and businesses...

... People who want to provide for their families and communities...

...And people who want to contribute to our economy.

And THAT is what every person in this room should be thinking about – myself included...

...Taking care of the people behind the jobs.

New Jersey, like much of the nation, is experiencing a strong economy, with more people at work in the Garden State than ever before, and a near record low 3.2 percent unemployment rate.

But a strong economy does not mean we can rest on our laurels, or assume economic benefits reach everyone equally.

In fact, to the contrary.

We have been proactive in reinforcing our commitment to paid family and medical leave in our state.

This year, New Jersey celebrated the 10-year anniversary of Family Leave Insurance, or FLI, and the 70<sup>th</sup> anniversary of Temporary Disability Insurance, or TDI, as it's known in our state.

These programs support our workers by acknowledging caregiving as an integral part of American culture. New Jersey, like most states, has a significant sandwich generation – a workforce that's taking care of both children and aging parents and relatives.

In New Jersey, there is no doubt these programs work as a publicly funded insurance program.

For seven decades, our TDI program has been jointly funded by employers and employees.

This program provided a framework for our solely worker-funded FLI program that has recently been expanded at zero cost to employers.

By offering this wage replacement in a universal, comprehensive and inclusive way, we're ensuring all of our workers who care for loved ones have the income they need.

Those least likely to have benefits offered privately by their employers tend to be younger, female, have less access to education and savings than those who receive at least some pay while on leave.

That's why programs like ours are so critical. As Labor Commissioner, I know when families thrive, the economy thrives.

Our programs are making a difference one family at a time, which is why, this year, we passed a law expanding family leave.

As Governor Murphy reminded us when he signed the bill, “No one should ever be forced to choose between caring for a family member and earning a paycheck.”

Research shows employers overwhelming care about the well-being of their staff.

We now have 11,000 more businesses operating in our state than we did when FLI went into effect. And that includes year over year growth of our small businesses, well.

In a competitive economy, these programs relieve employers from providing an additional job benefit without increasing costs, leveling the playing field for all our businesses competing for talent, small or large.

Paid Family and Medical Leave programs save employers money by reducing turnover and training costs when they lose staff to a temporary situation.

According to the American Sustainable Business Council, employee productivity actually increased between 3.5 and 6.5%, once these paid leave policies were implemented.

Additionally, an Employers Association of New Jersey survey found the average time it took employers to assist with their employee’s claim was only about an hour– start to finish. And this survey was taken BEFORE we made improvements to reduce employer-side paperwork.

This is good policy and good government.

The Murphy Administration continues to learn from best practices, working with our legislators to make informed changes. For example...

We recognize the structure of families today is more diverse than in the past, and therefore our programs must also evolve. In recognition of the range of caregiving obligations families face today, we have expanded coverage to include:

- children of any age
- parents-in-law
- siblings
- grandparents
- grandchildren
- domestic partners
- any other individuals related by blood
- and any individuals with whom you have the equivalent of a family relationship

We have also expanded coverage to victims of domestic or sexual violence. The law now permits these victims to claim benefits to access the care they need, and focus on their recovery and safety.

These improvements are a good start, but as of July 2020, even more are coming.

We have doubled the maximum benefit period so workers can claim up to 12 weeks for caregiving or bonding.

We've also increased the weekly benefit rate from 66 to 85% of a worker's average weekly wage, which according to this year's numbers, will be up to \$881 per week.

And finally, New Jersey's FLI program will allow workers with more than one job the option to take leave from one employer while continuing to work for another.

Since many New Jerseyans work more than one job, this aspect of the new law offers flexibility that did not exist before.

Why did we make these changes?

Because people in low wage jobs can't afford to live on a replacement of only 2/3 of their weekly wages.

Which means low income workers can't bond with a new baby, or care for an aging parent, further restricting them from moving up the career and wage ladder.

We know access to paid family and medical leave is only meaningful if every worker, from the home health aide to the healthcare executive, has access.

The true challenge is making our most vulnerable populations aware of the rights, protections, and programs available to them and ensuring equity in access.

This is why, we've formed the New Jersey Department of Labor's Office of Strategic Outreach to let our communities know about Paid Family and Medical Leave, as well as earned sick leave, and other recent improvements to New Jersey law.

If you'd like information beyond today's testimony, our website is [MYLEAVEBENEFITS.NJ.GOV](http://MYLEAVEBENEFITS.NJ.GOV), where we've made it easier for everyone to understand the rights and benefits available to them, so I encourage you to visit and see how paid leave works in New Jersey.

We think you will see the evidence we are making the economy stronger because it's becoming fairer.

Thank you for your time and attention to this critical issue and I look forward to your questions.