



**TO: Senator Kathleen Taylor, Chair  
Senate Workforce Committee**  
 Senator Tim Knopp, Vice-Chair  
 Committee: Senator Sara Gelser, Senator Bill Hansell, Senator Laurie Monnes Anderson

**Rep. John Lively, Chair  
House Committee on Early Childhood and Family Supports**  
 Rep. Daniel Bonham, Vice-Chair  
 Committee: Rep. Carla Piluso, Vice-Chair, Rep. Denyc Boles, Rep. Janelle Bynum,  
 Rep. Cedric Hayden, Rep. Alissa Keny-Guyer, Rep. Sheri Malstrom, Rep. David Brock Smith

**RE: 2018-19 Paid Family Leave Discussion**

**February 20, 2018**

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As we move forward on discussions around a Paid Family Leave (PFL) proposal for Oregon employers and employees, we urge you to consider the following principles:

**Funding for PFL Pool** – To-date, only five states have Paid Family Leave, and Washington is the only state that has created a unique funding mechanism with employers paying a portion (Family Leave is 100% Employee Funded; Disability Leave is 55% employer and 45% employee; total premium share is 37% for employers, 63% for employees). All other States (CA, NJ, RI, NY) are 100% employee paid. As Oregon enters this arena, without a disability program, we urge the discussions to focus on creative plans that are both affordable for Oregon’s workers and employers, while satisfying the intent of the public policy. An employee-funded program, via payroll deductions or payments into private insurance plans, ensures 100% portability for all employees, regardless of the size of their employer. We urge stakeholders not to craft a proposal that creates an unmanageable and unaffordable burden on all businesses, especially those with smaller numbers of employees.

**Alignment with federal Family Medical Leave** – Any PFL program must mirror its federal counterpart in areas such as employers covered, the definition of family, the relationship between the type of family care and an employee’s own disability and the issue of job guarantee.

**Consider employee replacement costs** – A worker taking extended time off leaves a hole that must be filled by other staff working overtime or by finding, hiring and training a new temporary employee as a replacement – both of which are direct costs to the business. Unemployment insurance for the replacement employee (the “UI tail”), and even overtime rates for current employees, must be considered.

**Reasonable benefit length and PTO use** – As Oregon creates a brand-new program, the benefit length should be phased in to allow for the pool to build up and stabilize. A phase-in also allows businesses time to prepare, react and gain clarity on what the responsibilities are. In addition, employers should be allowed to require the use of existing PTO and Paid Sick Leave banks to run concurrent with PFL.

**Statewide Policy** – Any program should be considered the statewide mandate for employers and employees and not vary based on where the employee or employer is located. Any policy must include local preemption.

**Provide Flexibility** – A program should also consider that some employers will have or purchase a company insurance plan that covers employees. If a cost is placed on employers, they must be able to substitute their equivalent programs with the State-managed pool.

**Reasonable Remedies** – A PFL program should encourage compliance and include an exclusive remedy provision that compensates the employee for the loss of the benefit, not a private right of action where the employee is forced to pursue a costly and lengthy legal battle.

**Accurate Cost to the State** – The State is an employer for the purposes of a Paid Family Leave program. A complete fiscal analysis of implementing a paid family leave program, whether 100% employee paid or split between employer and employee, must be calculated for our state employees, local governments, school districts and other public employees. In addition, we must fully understand the agency costs to implement and manage a new program, including technology and staffing needs.

**FR:** Northwest Grocery Association  
Oregon Business & Industry Association  
Oregon Home Builders Association  
Oregon Farm Bureau Federation  
Oregon Trucking Associations  
Oregon Bankers Association  
Oregon School Boards Association  
Oregon Restaurant & Lodging Association  
Associated General Contractors-Columbia Chapter  
Oregon Association of Nurseries  
Oregon Plumbing-Heating-Cooling Contractors Association  
Oregon Vehicle Dealers Association  
Northwest Automotive Trades Association