



























BREASTFEEDING

















































ASSOCIATION









































































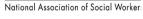














Network













































INSTITUTE













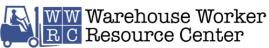
























7/24/2022

The Honorable Chris R. Holden 1021 O St, Room 5650 Sacramento, CA 95814

Dear Assemblymember Holden,

Subject: SB 951 (Durazo) Increasing Wage Replacement Rates for PFL + SDI: Support

On behalf of the following organizations we write in strong support of SB 951. We believe that every Californian should be able to take paid time off from work to recover from illness, care for their family or bond with a new child without jeopardizing their economic security.

California's State Disability Insurance (SDI) and Paid Family Leave (PFL) programs have served workers in our state for decades. Together, these two programs form a critical safety net that is intended to ensure that Californians are able to recover from a serious illness, bond with a new child or care for a seriously ill family member and still meet their financial obligations. However, because SDI and PFL provide only 60% of most workers' wages, they remain out of reach for many Californians. The COVID-19 crisis has highlighted both the importance of these programs, as well as the inequities and barriers that workers face in accessing them.

SB 951 proposes to increase wage replacement rates, beginning in 2025, to 90 percent for lower-wage workers, those who earn up to 70 percent of the state average quarterly wage and to 70 percent for all other workers.

Because current wage replacement rates are not enough to provide livable support to low-wage workers, who are more likely to be women, born outside of the United States, or to identify as Black or Latinx, low-wage workers end up subsidizing higher wage workers' leaves through their contributions to the Disability Insurance (DI) Fund. Almost all employees in California pay into the DI fund with each paycheck, but middle and high income earners - who also have greater access to savings and employer-paid sick and vacation time - are far more likely to take leave and apply for PFL or SDI benefits. This inequity is magnified by the fact that low-wage workers in California, disproportionately those who identify as Black or Latinx, women and immigrants², already face health disparities due to systemic racism, sexism and xenophobia. Paid Family Leave and State Disability Insurance are important interventions to address social determinants of health because they allow workers to care for their and their family's health without losing their full income. They reduce the likelihood of premature birth and infant

¹ https://laborcenter.berkeley.edu/low-wage-work-in-california-data-explorer/

² https://laborcenter.berkeley.edu/low-wage-work-in-california-data-explorer/

mortality³, promote breastfeeding⁴, and reduce nursing home admissions.⁵

Workers who cannot afford to live off of 60% of their wages are currently forced to keep working, often endangering their or their family's health. Only workers earning less than \$27,213 a year (one third the median wage) currently receive a wage replacement rate of 70%, meaning that even full time workers earning minimum wage (\$15 an hour, or \$30,000 a year in 2022) do not qualify for the 70% wage replacement rate. If the Legislature takes no action this year, current wage replacement rates will sunset and the wage replacement rate for both SDI and PFL will actually decrease to 55% for all workers, placing these programs even more out of reach.

We cannot afford to move backwards, especially when we know how important this safety net is for California's families. Californians must be able to heal, care for family, or welcome a new child, regardless of their income. The 90% wage replacement rate proposed by SB 951 would ensure that low-wage workers, many of whom already struggle to support their families with their full wages, have the same right to be there for their families without risking their economic stability.

Further, SB 951 proposes to increase wage replacement rates without increasing contributions for low wage workers. To do this, SB 951 would require all workers to contribute to the DI fund equitably, based on their entire income, just like low-wage workers currently do. 91% of California workers would not see any change in their contributions, and the state would be able to afford meaningful benefits and access to leave for workers earning low wages.⁶

In order for SDI and PFL to really work for Californians earning low wages, we must increase wage replacement levels. California led the way by passing the first paid family leave law. It is time for us to lead by making our paid family leave program the most equitable in the nation - the ability to heal, bond with a child, or care for an ill family should not be limited to those with middle or high incomes. For all of these reasons, we urge your strong support for SB 951.

Sincerely,

A Better Balance ACCESS Reproductive Justice ACLU California Action Alliance for a Better Community

³ Christopher J. Ruhm. 2011. "Policies to Assist Parents with Young Children." Work and Family 21(2); Maya Rossin. 2011. "The Effects of Maternity Leave on Children's Birth and Infant Health Outcomes in the United States." Journal of Health Economics 30(2); Sakiko Tanaka. 2005. "Parental Leave and Child Health Across OECD Countries." The Economic Journal 115(501): F7-F28; C.R. Winegarden and Paula Bracy. 1995. "Demographic Consequences of Maternal-Leave Programs in Industrial Countries: Evidence from Fixed-Effects Models." Southern Economic Journal 61(4): 1020-35; Pamela Winston. 2014. Work-Family Supports for Low Income Families: Key Research Findings and Policy Trends. Washington, D.C.: U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation.

⁴ Paid Family Leave: A Crucial Support for Breastfeeding. CLASP and BreastfeedLA. Retrieved December 11, 2018, from https://www.clasp.org/sites/default/files/public/resources-and-publications/files/Breastfeeding-Paid-Leave.pdf

⁵ Arora, K., & Wolf, D. A. (2017, November 3). Does Paid Family Leave Reduce Nursing Home Use? The California Experience. Journal of Policy Analysis and Management, 37(1), 38-62. DOI: 10.1002/pam.22038.

⁶ US Census Bureau Current Population Survey 2021 March Supplement

American Association of University Women California

American Medical Womens' Association

Association of California Caregiver Resource Centers

Bet Tzedek Legal Services

BreastfeedLA

Buen Vecino

California Association of Food Banks

California Breastfeeding Coalition

California Catholic Conference

California Child Care Resource & Referral Network

California Employment Lawyers Association

California Health Professional Student Alliance

California Immigrant Policy Center

California Labor Federation

California Latinas for Reproductive Justice

California Nurse-Midwives Association

California Pan-Ethnic Health Network

California Partnership to End Domestic Violence

California Physicians Alliance

California WIC Association

California Women's Law Center

California Work & Family Coalition

Campbell High School Teachers Association

Caring Across Generations

Center for Community Action and Environmental Justice

Center for Workers' Rights

Central Coast Early Childhood Advocacy Network

Centro Legal de la Raza

Children Now

Children's Defense Fund-California

Chinese Progressive Association

Citizens for Choice

Clergy and Laity United for Economic Justice

Coalition of California Welfare Rights Organizations

Coalition Of Union Labor Women, Sacramento Capital Chapter

COLAGE

Electric Universe

Equal Rights Advocates

Evolve California

Families In Transition of Santa Cruz County, Inc.

Family Caregiver Alliance

Family Values @ Work

Feminist Majority Foundation

First 5 Association of CA

First 5 California

First 5 Humboldt

First 5 LA

First 5 Monterey County

First 5 San Mateo County

First 5 Sonoma County

First 5 Ventura County

Food Empowerment Project

Friends Committee on Legislation of California

GRACE – End Child Poverty

Girls Republic

Global Communities, Healthy Start

Hand in Hand: the Domestic Employers Network

Healthy Kids Happy Faces

Human Impact Partners

Inland Empire Breastfeeding Coalition

Inland Equity Partnership

Jewish Center for Justice

Justice At Last

LA Alliance for a New Economy (LAANE)

La Raza Centro Legal

LA Best Babies Network

Legal Aid at Work

Maternal and Child Health Access

Mixteco/Indigena Community Organizing Project

Mother's Own Milk Matters

NARAL Pro-Choice California

National Association of Social Workers, California Chapter

National Council of Jewish Women California

National Council of Jewish Women Los Angeles

National Employment Law Project

National Partnership for Women & Families

National Women's Political Caucus of California

Nevada County Citizens for Choice

North Bay Labor Council

Nourish California

Nursing Mothers Council

Orange County Equality Coalition

Our Family Coalition

Parent Voices California

PICO California

Pilipino Workers Center

Positive Discipline Community Resources

Prevention Institute

Public Counsel

Public Health Alliance of Southern California

Rape Counseling Services of Fresno

Restaurant Opportunities Centers of California

San Diego County Breastfeeding Coalition

San Francisco Senior and Disability Action

Santa Clara County Wage Theft Coalition

SEIU California

Small Business Majority

Southern California Coalition for Occupational Safety and Health (SoCalCOSH)

Street Level Health Project

TechEquity Collaborative

Thai Community Development Center

UFCW Western States Council

UNITE-LA

United Ways of California

Walnut Avenue Family & Women's Center

Warehouse Worker Resource Center

Watsonville Law Center

Women For: Orange County

Working Partnerships USA

Worksafe

YWCA Golden Gate Silicon Valley