

a better  
balance  
the work and family legal center

ACCESS  
REPRODUCTIVE JUSTICE

AMWA  
American Medical Women's Association  
The Vision and Voice of Women in Medicine since 1915



BET TZEDEK  
JUSTICE FOR ALL



California Child Care Resource & Referral  
NETWORK





March 14, 2022

The Honorable Dave Cortese  
State Capitol, Room 6640  
Sacramento, CA 95814

Dear Senator Cortese,

**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 represent diverse constituencies including advocates for families with young children, older Californians, parents and caregivers, domestic violence prevention advocates, health and racial equity groups and worker and community advocacy organizations. 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 phase in increased wage replacement rates for low wage workers so that by January 1, 2025, low wage workers<sup>1</sup> would receive 90% wage replacement for the first 16 weeks of SDI and all 8 weeks of PFL.** All other workers would receive 70% wage replacement up to the maximum weekly benefit amount for the first 16 weeks of SDI and all 8 weeks of PFL.

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,<sup>2</sup> 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

---

<sup>1</sup> Low wage workers are defined as those making less than 70% of the State Average Weekly Wage.

<sup>2</sup> <https://laborcenter.berkeley.edu/low-wage-work-in-california/#worker-profile>

immigrants<sup>3</sup>, 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 mortality<sup>4</sup>, promote breastfeeding<sup>5</sup>, and reduce nursing home admissions.<sup>6</sup>

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.<sup>7</sup>

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.

---

<sup>3</sup> <https://laborcenter.berkeley.edu/low-wage-work-in-california/#the-numbers>

<sup>4</sup> 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.

<sup>5</sup> 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>

<sup>6</sup> 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.

<sup>7</sup> US Census Bureau Current Population Survey 2021 March Supplement

Sincerely,

A Better Balance

ACCESS Reproductive Justice

American Medical Women's Association

Association of California Caregiver Resource Centers

Bet Tzedek Legal Services

BreastfeedLA

Buen Vecino

California Breastfeeding Coalition

California Catholic Conference

California Child Care Resource & Referral Network

California Employment Lawyers Association

California Health Professional Student Alliance

California Latinas for Reproductive Justice

California Nurse-Midwives Association

California Partnership to End Domestic Violence

California Physicians Alliance

California WIC Association

California Women's Law Center

California Work & Family Coalition, Katie Waters-Smith, Political Organizing Director

Campbell High School Teachers Association

Caring Across Generations

Center for Community Action & Environmental Justice

Center for Workers' Rights

Central Coast Early Childhood Advocacy Network

Centro Legal de la Raza

Children Now

Clergy and Laity United for Economic Justice

Electric Universe

Equal Rights Advocates

Families In Transition of Santa Cruz County, Inc.

Family Values @ Work  
First 5 Alameda County  
First 5 Association of CA  
First 5 California  
First 5 Humboldt  
First 5 Sonoma County  
First 5 Ventura County  
Food Empowerment Project  
Friends Committee on Legislation of California  
Healthy Kids Happy Faces  
Human Impact Partners  
Inland Empire Breastfeeding Coalition  
Inland Equity Partnership  
Jewish Center for Justice  
Justice At Last  
LA Best Babies Network  
Legal Aid at Work  
Maternal and Child Health Access  
Mixteco Indigena Community Organizing Project (MICOP)  
NARAL Pro-Choice California  
National Association of Social Workers - CA Chapter  
National Council of Jewish Women California  
National Council of Jewish Women Los Angeles  
National Partnership for Women & Families  
National Women's Political Caucus of California  
Nevada County Citizens for Choice  
Nursing Mothers Council  
Orange County Equality Coalition  
Our Family Coalition  
Parent Voices CA  
Pilipino Workers Center

Positive Discipline Community Resources  
Prevention Institute  
Public Counsel  
Public Health Alliance of Southern California  
ROC California  
San Diego County Breastfeeding Coalition  
San Francisco Senior and Disability Action  
Santa Clara County Wage Theft Coalition  
Small Business Majority  
Street Level Health Project  
Thai Community Development Center  
UNITE-LA  
United Ways of California  
Walnut Avenue Family & Women's Center  
Warehouse Worker Resource Center  
Women For: Orange County  
Working Partnerships USA  
Worksafe