

**Testimony of Ed Lazere, Executive Director  
At the Public Oversight Roundtable on  
Implementation of Law 21-264, The Universal Paid Leave Act  
DC Council Committee on Labor and Workforce Development  
January 29, 2019**

Chairperson Silverman and members of the committee, thank you for the opportunity to testify today. My name is Ed Lazere, and I am the Executive Director of the DC Fiscal Policy Institute. DCFPI is a non-profit organization that promotes budget choices to reduce economic and racial inequality and build widespread prosperity in the District of Columbia through independent research and thoughtful policy recommendations.

I'm here today because the DC Fiscal Policy Institute sees DC's Paid Family and Medical Leave program as a key to strengthening families, supporting a healthy workforce, and addressing DC's racial and economic inequities, and thus we are eager to see it implemented well and on time. As an employer, I'm eager to be able to provide this benefit to my employees. While I'm encouraged by the apparent commitment of the DC Department of Employment Services to implement this program, I also am concerned that the timeline is tight for key steps, particularly completing regulations and developing the needed IT system.

The recent federal shutdown is a powerful reminder of the importance of worker security to our thriving economy. Thousands of workers went back to work this week, yet the long shutdown and threat of a future one has created financial chaos and emotional distress for many. Beyond the pain caused to these workers and their families, the shutdown will have a harmful effect on worker productivity.

Paid family leave is a key tool to reduce worker stress and support their productivity. DC's groundbreaking paid family and medical leave legislation, adopted in 2016, will make a big difference in the lives of DC residents when implemented in July 2020. It will enable parents to take time they need to bond with and care for new babies, which research and common sense show is critical to a child's healthy start. An analysis by the [DC Council Budget Office](#), for example, found that DC's Paid Family and Medical Leave program will help reduce DC's high rate of infant mortality. Paid Family and Medical Leave also will allow workers to take time off to care for ill relatives, such as aging parents, helping ensure those relatives receive needed and compassionate care, and helping prevent the need for institutional care.

It's important to remember that DC's program was intentionally designed to ensure that workers who earn low wages can benefit, by providing a 90 percent wage replacement rate for the lowest-earning workers. As a result, the average wage replacement rate will be highest for workers in Ward 7 and Ward 8. In addition, while paid family leave does not guarantee job protection, workers will be more likely to keep their job when they can take paid family leave, instead of having to leave their job when they have a baby or ill relative. This will be especially helpful to Black workers, who face a

much higher rate of unemployment than white workers, and who are much more likely to stay out of the labor force a long time when they leave a job.

All of these benefits would come without any notable impact on the DC economy. The Council Budget Office's analysis concluded that UPLA would not affect "the upward trajectory of the DC economy."

For all of these reasons, it is important for the District to implement this program well and on-time. The District has taken important steps to stand up this new program, including creating the new office of Paid Family Leave within the Department of Employment services. That office has engaged in active efforts to learn from other cities and states that have paid family leave. It has developed draft regulations governing tax collection. And it has issued an RFP for an IT vendor for the tax system using a model "agile" approach that is not easy but will likely lead to a better result.

That said, I share concerns raised by others about where we stand relative to key deadlines. In particular, tax regulations have not been submitted to the DC Council and a tax IT vendor has not been selected, even though the tax collection process has to start in the July-to-September quarter of 2019. In addition, the Office of Paid Family Leave has not issued draft regulations for comment on the administration of paid family leave benefits. Refining these important regulations will likely take a lot of time and will need to be resolved before an IT vendor can develop the benefit system. Finally, DC has not issued an RFP for such a vendor.

The DC Fiscal Policy Institute is eager to see progress on these important steps and willing to help in any way we can.

Thank you for the chance to testify.