Connecticut Legislative Update
FEBRUARY 2018

State News:
We are eight weeks into the 2019 legislative session, and this session is shaping up to be as eventful as we had thought it would be. The state—with a new Democratic governor and Democratic majorities in both the House and Senate—has an agenda that remains full with issues such as minimum wage, fixing the deficit, tolls, legalizing marijuana and paid family leave.

Issues Update:
Paid Family and Medical Leave
On Feb. 20 the General Assembly committee approved two identical paid family leave bills — SB 1 and HB 5003 — on 9-5 party line votes. Both bills establish up to 12 weeks of annual leave for private sector and some state government employees at 100 percent of their salary, capped at $1,000 per week, for their own or extended family members’ illnesses. The state-run program would be funded through an automatic 0.5 percent payroll tax, withheld from employees’ after-tax earnings. Employees cannot opt out of the program. On the other hand, employers will be forced to shoulder many administrative burdens involved with juggling their workforce to accommodate employees on leave while also continuing to provide them with non-wage benefits.

Gov. Ned Lamont also released his own paid FMLA proposal Feb. 20, outlined in SB 881. That measure varies slightly from the two committee-approved bills and will require a public hearing. The proposals in SB 1, HB 5003 and SB 881 are inflexible and wholly unsustainable in their current forms. Employers and taxpayers will be on the hook to pay for the projected $13 million in startup costs and $18 million in ongoing costs to operate the program.

As many state rankings have shown, operating a business in Connecticut is often costlier than running the same business in other states. With each additional workplace mandate, the cost separation between Connecticut and other states increases. The burdens imposed on business in these bills tilt the playing field against Connecticut businesses to other states, typically ones that are not forcing such mandates on their businesses.

More than 40 business organizations throughout the state submitted a letter to lawmakers opposing the leave mandates for these reasons. Despite the adverse impact this legislation will have on businesses, employees and taxpayers across Connecticut, it appears these bills will move forward and seek passage in both chambers. LDAC’s legislative committee is actively working on your behalf to ensure your voice is heard in these discussions. We will be sure to keep you posted on this important issue and others as the session continues.

Questions?
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