



**Testimony on XXX CMR: Executive Office of Labor and Workforce Development
CMR XX.00 Department of Family and Medical Leave
Draft Regulations Published January 1, 2019**

Paid Family and Medical Leave Listening Session- Worcester

North Central Massachusetts Chamber of Commerce

Tuesday, February 5, 2019

Good afternoon everyone. My name is Christopher McDermott and I serve as the public affairs manager to the North Central Massachusetts Chamber of Commerce. We are a regional business organization that represents roughly 1000 employers across 17 communities along New Hampshire's border. Though our membership runs the gamut in terms of size and sector, the majority of our members are small businesses with fifty employees or less. It's with these small businesses in mind that I appear before you today.

Roughly half a year ago, the Governor signed legislation into law which brought months of debate between labor and business interests to a close. The Grand Bargain was crafted from a series of competing ballot questions that groups had put forward- including one which would have established paid family and medical leave for all employees. Though we had opposed the ballot question, we supported the final legislation as a compromise, in exchange for other concessions. We also believed that the compromise legislation, while not perfect, ensured that policy and deliberation were returned to the bodies elected to conduct them. For this reason, we have begun reaching out to our members in an effort to ensure they conform to whatever regulations are ultimately promulgated. As such, we felt it was our responsibility to testify before you regarding certain barriers to compliance which still exist or which the regulations- as currently written- may have inadvertently created.

The most glaring of these will undoubtedly be the administrative burden. As I mentioned earlier, a majority of our members are small businesses. These entrepreneurs often outsource their human resources functions to remote contractors, who may not even be based in Massachusetts. How these regulations- and the additional work they incur- will impact those contracts and how closely out of state agencies have followed these regulations are questions

which remain to be answered. For those employers who do maintain human resources functions internally, these offices regularly consist of one or perhaps two staff people- the latter often being an untrained assistant. Even if these professionals have paid close attention to the evolving regulations and taken every step conceivable to prepare for them, this program will undoubtedly demand a significant amount of their time and could negatively impact other essential functions.

Steps should therefore be taken to alleviate this issue. First, there are significant aspects of the program's timeline which remain uncertain. The draft regulations fail to lay out a clear schedule for approval of private plans or even identify when businesses will first be made aware of what their initial contributions are! This could lead to significant confusion and costs for employers and employees alike. There is also uncertainty regarding what constitutes a qualified private plan and the steps that will need to be taken should an employer choose to shift to one or back. How these issues are resolved will have a significant impact on our members, which is why we hope you will be able to address them before the program's launch on July 1, 2019.

We appreciate the public mandate which led to this program's creation, and understand the challenge the Department of Family and Medical Leave's staff must face in establishing the framework through which these policies will be enacted. Still, we ask that you account for these issues and work to establish a program that minimizes costs, avoids confusion, and benefits the Commonwealth as a whole.

Thank you for your time and consideration today on this important economic development issue.