July 1, 2025

Committee on Executive Administration and Labor
Council of the District of Columbia
1350 Pennsylvania Ave NW
Washington, D.C. 20004

Testimony in Opposition to Cuts to DC's Paid Family and Medical Leave Program in the Mayor's FY 2026 Budget Proposal

Submitted by: Diane Harris, Ward 4 Resident, Policy Analyst, The Center for Law and Social Policy; Nat Baldino, former Ward 1 Resident, Senior Policy Analyst, The Center for Law and Social Policy

Members of the Committee,

Thank you for the opportunity to testify. CLASP is a national, nonpartisan, nonprofit advancing anti-poverty solutions that remove barriers blocking people from economic security and opportunity. We have long worked with state administrators of paid family and medical leave programs and facilitate a cross-state learning community of administrators. We've contributed to the rulemaking process and regularly provided technical assistance to paid leave agencies, including that of the District of Columbia.

CLASP seeks to ensure that the Universal Paid Leave program and the paid parental, family, and medical leave for district employees is equitable and can operate soundly to best support the city's workers and economy alike. With this in mind, **we are writing today in strong opposition to the Mayor's FY 2026 budget proposal, specifically:**

1. Unnecessary and devastating cuts to a self-sustaining program
2. Proposed changes that would weaken benefits D.C. workers need to care for themselves and to engage in the city's economy

These proposals are at odds with the mission of the agency and the intent of the legislation. We ask that the Mayor and the Council change course and avoid unnecessary cuts to these programs' funding or benefits, which would needlessly weaken a successful program and severely diminish its effectiveness for D.C. workers.

1. **Unnecessary and devastating cuts to a self-sustaining program**

The proposed FY 2026 budget includes a cut to the Universal Paid Leave (UPL) tax – an essential source of funding that ensures the program is financially sustainable and adequately funded. According to the FY 2026 Financial Impact Statement, reducing the tax cut by 0.03% would strip $18.3 million in revenue from the program in FY 2026.

This cut is not financially necessary. The UPL program has always been self-sustaining and solvent, and the proposed cuts are not needed due to financial constraints. All ten active paid family and medical leave state programs have shown that financing through payroll contributions is self-financing.[1] Furthermore, these programs, which offer near-universal coverage of paid workers, have consistently expanded rather than shrunk.[2] The District has the resources to sustain current benefit levels and maintain contributions to the general fund without compromising other essential District programs.

We are also deeply concerned that this tax cut would be paid for entirely by drastic and disproportionate cuts to workers' benefits. Under the Mayor's proposal, while program revenue would be reduced by $18.3 million, benefits for workers would be slashed by $18.5 million, according to the FY 2026 Financial Impact Statement – a tradeoff that undermines the very purpose of this program. For these reasons, **we urge the Council to maintain funding and keep the UPL tax at 0.75% for FY 2026**.

2. **Proposed changes that would weaken benefits D.C. workers need to care for themselves and to engage in the city's economy**

Unaffordability is the number one reason workers don't take needed leave.[3] Even *with* access to a paid leave program, workers often find the benefit insufficient to cover their cost of living, choosing instead to forego needed leave. The Mayor's proposed cut would reduce the maximum weekly benefit to $1,000, which is below the living wage for a single adult in D.C.[4] 37 percent of US workers find it difficult to cover even a $400 emergency expense.[5] The Mayor's proposal slashes $600 per month of leave at what is an already stressful time. Without progressive wage replacement with a meaningfully high replacement rate, the choice between taking needed leave and avoiding financial strain becomes impossible.

The Mayor's budget also proposes to gut the number of weeks of leave workers can take for a qualifying event, moving the program out of line with the accepted gold standard of 12 weeks that DC only just reached in 2022. Cutting medical and family leave duration is at odds with both take-up data and with the program's historic commitment to equity. In 2022, CLASP demonstrated that the city's most underserved communities in Ward 8 primarily applied for medical and family leave, not parental leave.[6] In response to these equity issues, OPFL took on greater education and outreach efforts in Ward 8. Since 2022, the number of new claims filed has steadily increased from 15,635 in 2022 to 20,178 for FY2024.[7] Slashing the program's leave will undo the progress OPFL has taken toward implementing an equitable program.

Conclusion:

We look forward to hearing how the council will fund the program in FY 2026, and we urge the council to maintain the current UPL tax rate of 0.75% and current benefits for the Universal paid leave program and the paid family and medical leave program for district employees. If you have any questions, please reach out to us at dharris@clasp.org and nbaldino@clasp.org.

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[1] Thirteen states have enacted state paid family and medical leave programs, with three of these going live in upcoming years. Not the District's program, the ten programs that are live are: California, New Jersey, Rhode Island, New York, Washington, Massachusetts, Connecticut, Oregon and Colorado.

[2] A Better Balance, A Comparative Chart of Paid Family and Medical Leave Laws in the United States, 2024 https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/; Vicki Shabo, Explainer: Paid Leave

Benefits and Funding in the United States, New America, 2024, https://www.newamerica.org/better-life-lab/briefs/explainer-paid-leave-benefits-and-funding-in-the-united-states/.

[3] Scott Brown et al., "Employee and Worksite Perspectives of the Family and Medical Leave Act: Results from the 2018 Surveys," Abt Associates, July 2020, https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WHD_FMLA2018SurveyResults_FinalReport_Aug2020.pdf.

[4] Living Wage Calculation for District of Columbia, MIT Living Wage, retrieved July 1, 2025. https://livingwage.mit.edu/counties/11001.

[5] Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households in 2022 – May 2023, Figure 19. https://www.federalreserve.gov/publications/2023-economic-well-being-of-us-households-in-2022-expenses.htm.

[6] Nat Baldino and Rocio Perez, The Center for Law and Social Policy, "Early Lessons From D.C.'s Paid Leave Program," July 2022, https://www.clasp.org/wp-content/uploads/2022/07/2022_DC-Paid-Leave.pdf.

[7] D.C. Department of Employment Services, PFL Benefits Implementation, Workload Measures, "Number of New Claims Filed", pg. 237. https://dccouncil.gov/wp-content/uploads/2025/03/doesatt.pdf.