

Senate Finance Committee

Deb Martone 271-4980

HB 517-FN, repealing certain outreach and marketing requirements under the Granite State paid family leave plan.

Hearing Date: April 8, 2025

Time Opened: 1:18 p.m.

Time Closed: 1:48 p.m.

Members of the Committee Present: Senators Gray, Innis, Birdsell, Pearl, Rosenwald and Watters.

Members of the Committee Absent: Senators Carson and Lang.

Bill Analysis: This bill repeals the requirement that the state engage in certain outreach and marketing activities to increase awareness of the Granite State paid family leave plan.

Sponsors:

Rep. Turcotte

Rep. Prout

Rep. Verville

Rep. McFarlane

Rep. Layon

Rep. Perez

Rep. Sirois

Rep. Bernardy

Rep. Seaworth

Rep. Osborne

Who supports the bill: Representative Seaworth; Commissioner D.J. Bettencourt; Curtis Howland; Jessica Lee, Daniel Richardson; Timothy Finney; James Gardner.

Who opposes the bill: Taylor Weiss; Nancy Glynn; Mackenzie Nicholson; Scott Burns; Sarahlynn Williams; Janet Lucas; Alicia Hart; Colleen Shields; Victoria Brown; Catherine Murphy; Seana Hallberg; Brittany Hughes; Janet Altobello; Bryan Field; Jocelyn Duffy; Danielle Doughty; Abigail Meyer; Michaela Janowski; Hannah Smith-Catanese; Chelsea Locke; Elizabeth Scruton; Katie DeAngelis.

Summary of testimony presented in support:

Representative Brian Seaworth:

- Representative Seaworth spent a dozen years on the House Labor Committee, where the Granite State Paid Family Leave Plan was developed.
- The current bill has been simplified to focus solely on repealing the marketing portion of the plan.
- New Hampshire's family leave system is a voluntary program where the state contracts with an insurance company to provide family leave for state employees, which is then offered to private employers and employees.

- The state helps promote the program by educating potential participants. This amounts to advertising a private insurance product. There is debate as to whether it is appropriate to use state funds for this promotional work.
- The bill has a fiscal note indicating a \$1.5 million savings over the biennium,
- Senator Watters asked if the program is headed towards atrophy, and inquired about its future. Representative Seaworth explained state employees make up about half of the participants in the program, which is the core of the plan. He reassured the committee there is no risk to the state employee program from the repeal of the advertising portion, as it won't affect existing participants. He believes the program won't face increased costs or threats, as the advertising was primarily aimed at growing the program, Removal of same will not disrupt its current operation.

D.J. Bettencourt, Commissioner, NH Insurance Department and Richard Lavers, Deputy Commissioner, NH Department of Employment Security:

- Insurance Commissioner Bettencourt acknowledged the original proposal aimed to repeal the entire paid family medical leave program, which was strongly opposed by his department. While eliminating the marketing portion of the program may not be ideal, it is seen as a necessary compromise to avoid losing the entire program. Given the budget constraints, the Commissioner believes it is a reasonable decision.
- Eliminating the marketing component is not "helpful" but also not catastrophic to the program. Commissioner Bettencourt has already discussed the issue with MetLife, the insurance provider, about taking on additional responsibilities to replace the lost marketing funding.
- While businesses have been aggressively targeted for outreach, there are concerns that MetLife might not be as motivated to promote the individual pool. This pool could face challenges, such as "adverse selection," where only those most likely to use the program sign up, potentially making it financially unstable. Commissioner Bettencourt assured the committee this issue will be discussed and addressed in further talks with MetLife.
- Employment Security Deputy Commissioner Lavers reported over 300 employers have purchased coverage for approximately 13,000 workers, showcasing the success of the program in its first two years.
- New Hampshire is the only state allowing individual workers to purchase affordable coverage if it's unavailable through their employer. Deputy Commissioner Lavers noted the success of the individual portion of the program, with 1,900 individuals enrolled.
- Deputy Commissioner Laver provided committee members with demographic details about individual plan enrollees.
- Employment Security, in collaboration with the Insurance Department, can continue raising awareness about the program through conversations with chambers of commerce, business groups, and through job fairs.
- Deputy Commissioner Lavers assured the committee the department will continue its efforts to inform the public through other means, such as partnerships and events, and hopes that MetLife will help with the marketing.

He is optimistic with continued efforts from both departments, the program's marketing and outreach can be maintained even with reduced funding.

- Commissioner Bettencourt added that since January 2025, there have been many discussions and good ideas presented by advocates regarding how to further promote the program, particularly ideas that don't involve additional costs.
- The focus will be on coordinating with other state agencies to share information about the program. The goal is to ensure that the public is aware of where they can access coverage and benefits.
- Commissioner Bettencourt expressed a willingness to collaborate with advocates and anyone else interested in helping spread the word about the program. The effort will be to get the program's information in front of as many people as possible.
- Senator Rosenwald asked why most of the people taking time off are doing it in order to bond with their child and not to recover from childbirth. Is it safe to assume this is because they have disability insurance? Deputy Commissioner Lavers replied short-term disability coverage might be used for recovery from childbirth, which is why it's not a 50/50 split between recovery and bonding. He added in employer-sponsored programs, many employers retain short-term disability insurance that would cover recovery before the paid family leave kicks in for bonding time. The total time off includes both recovery and bonding, but it is categorized under bonding in the program's data.
- Senator Rosenwald asked if their data includes how many employers have passed on some or all of the premiums to their employees. Deputy Commissioner Lavers responded he believes that information was excluded from their handouts. He explained about 70 percent of the 312 employers sponsoring the program are fully covering premium costs. The remaining employers either share the cost with employees or pass it entirely onto them. Senator Rosenwald asked how marketing has contributed to increasing the number of corporate and individual enrollees since the program started, acknowledging that the program has only been running for two years. Commissioner Bettencourt indicated marketing has clearly been beneficial in driving enrollment growth. Senator Rosenwald also asked about taxes on premiums and the potential taxation of benefits, wondering whether the benefit being taxed is up to the federal government or if there is a way for individuals to know if their benefit will be taxed. Commissioner Bettencourt explained the insurance premiums are subject to the state's insurance premium tax. However, the revenue from these premiums is placed into an individual premium stabilization account to ensure the program remains financially viable, particularly for MetLife. The cap on individual premiums is kept at \$5 per week to avoid financial distress. He also noted that while premiums are taxed, the taxation of benefits is more complicated. He referred to unclear and mixed guidance from the IRS regarding different types of wage replacement for family caregiving leave. As a result, they include a disclaimer on the website to ensure that individuals are aware the benefit may be subject to federal income tax.

- Senator Gray asked if the program will go away; the state's involvement is what makes it financially viable. Commissioner Bettencourt confirmed the program is not going away and that the state's involvement is indeed what has made the program financially viable. Senator Gray asked if the popularity among state employees is the reason why only the advertising is being cut, not the program itself. Commissioner Bettencourt agreed the popularity of the program among state employees likely influenced the decision to cut the advertising, not the program itself.
- Senator Birdsell asked about the role of advertising in getting employers and individuals to sign up for the program, considering that state employees don't require much advertising. Commissioner Bettencourt confirmed advertising has had a significant impact on sign-ups, alongside the effect of word of mouth. People who have benefited from the program share their experiences, which encourages others to sign up. He added advertising has played a positive role in the overall success of the program.

Summary of testimony presented in opposition:

Taylor Weiss:

- Ms. Weiss opposes HB 517-FN as amended.
- She first learned about the program through a flyer at a town office and through the state's website. She works for small companies that don't offer family leave, and without the flyer, she wouldn't have known about or signed up for the program.
- Ms. Weiss is currently six months' pregnant and plans to use the program when her child is born. Without the program, they might have delayed starting their family due to the lack of family leave options.
- Ms. Weiss' wife also signed up for the program and as a result, the Town of Sutton decided to offer this benefit to all town employees.
- Ms. Weiss can now take up to 12 weeks of leave to care for their newborn. and has already used the program to care for her mother.
- The Granite State Paid Family Leave Plan assists not only new parents, but also those needing to care for older children and family members, making it a critical benefit for many.
- Ms. Weiss believes eliminating the marketing budget is the first step toward eventually repealing the entire program, which would harm families, communities, and the state's future.

Mackenzie Nicholson, Senior Director, Moms Rising

- HB 517-FN would repeal the marketing and outreach budget for the state's paid family and medical leave plan, which she believes would reduce public awareness and participation in the program. Fewer families and businesses would know about the program, leading to fewer people using it.
- The paid family leave program, which has enrolled over 23,000 people in just two years, has demonstrated strong, public demand. She suggested instead of cutting the marketing budget, lawmakers should focus on expanding outreach to ensure more Granite Staters can benefit from the plan.

- The State of Washington allocates 4 percent of their annual budget for outreach. This resulted in high awareness and positive reaction from businesses. New Hampshire should aim for similar success with dedicated outreach and marketing.
- Relying on private agreements with insurance carriers for outreach is risky and unstable. Ms. Nicholson believes Granite Staters deserve reliable, consistent information directly from the state, not from private companies with potential conflicts of interest.
- Paid family leave is not just a family issue. It is also an economic and workforce issue. With New Hampshire's aging population, paid leave is essential for attracting and retaining workers. It helps families stay financially stable, reduces workforce turnover, and boosts employee morale.
- Approximately 79 percent of business owners nationwide support paid family leave because it helps businesses grow and compete more effectively by improving employee retention and productivity.
- Cutting outreach funding would hurt families, businesses, and the state's economy.
- Senator Birdsell asked how many people were enrolled in the program. Ms. Nicholson replied 23,000 people.
- Senator Rosenwald asked if the 23,000 was exclusive of the state work force. Ms. Nicholson indicated it included the state work force.

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Date Hearing Report completed: April 9, 2025