

106TH CONGRESS
1ST SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. DODD (for himself, Mr. KENNEDY, Mr. LEAHY, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To establish demonstration projects to provide family income to respond to significant transitions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Family Income to Re-
5 spond to Significant Transitions Insurance Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) every industrialized nation other than the
9 United States, and over 30 developing nations, pro-
10 vide parents with paid leave for infant care;

1 (2)(A) parents' interactions with their infants
2 have a major influence on the physical, cognitive,
3 and social development of the infants; and

4 (B) optimal development of an infant depends
5 on a strong attachment between an infant and the
6 infant's parents;

7 (3) nearly $\frac{2}{3}$ of employees, who need to take
8 family or medical leave, but do not take the leave,
9 report that they cannot afford to take the leave;

10 (4) although some employees in the United
11 States receive wage replacement during periods of
12 family or medical leave, the benefit of wage replace-
13 ment is not shared equally in the workforce, as dem-
14 onstrated by the fact that—

15 (A) employees with less education and
16 lower income are less likely to receive wage re-
17 placement than employees with more education
18 and higher salaries; and

19 (B) female employees, employees from ra-
20 cial minority groups, and younger employees
21 are slightly less likely to receive wage replace-
22 ment than male employees, white employees,
23 and older employees, respectively;

1 (5) in order to cope financially with taking fam-
2 ily or medical leave, of persons taking that leave
3 without full wage replacement—

4 (A) 40 percent cut their leave short;

5 (B) 39 percent put off paying bills;

6 (C) 25 percent borrowed money; and

7 (D) 9 percent obtained public assistance;

8 (6) taking family or medical leave often drives
9 employees earning low wages into poverty, and 21
10 percent of such low-wage employees who take family
11 or medical leave without full wage replacement re-
12 sort to public assistance;

13 (7) studies document shortages in the supply of
14 infant care, and that the shortages are expected to
15 worsen as welfare reform measures are implemented;
16 and

17 (8) compared to 30 years ago, families have ex-
18 perience an average decrease of 22 hours per week
19 in time that parents spend with their children.

20 **SEC. 3. PURPOSES.**

21 The purposes of this Act are—

22 (1) to establish a demonstration program that
23 supports the efforts of States and political subdivi-
24 sions to provide partial or full wage replacement,
25 often referred to as FIRST insurance, to new par-

1 ents so that the new parents are able to spend time
2 with a new infant or newly adopted child, and to
3 other employees; and

4 (2) to learn about the most effective mecha-
5 nisms for providing the wage replacement assistance.

6 **SEC. 4. DEFINITIONS.**

7 In this Act:

8 (1) SECRETARY.—The term “Secretary” means
9 the Secretary of Labor, acting after consultation
10 with the Secretary of Health and Human Services.

11 (2) SON OR DAUGHTER; STATE.—The terms
12 “son or daughter” and “State” have the meanings
13 given the terms in section 101 of the Family and
14 Medical Leave Act of 1993 (29 U.S.C. 2611).

15 **SEC. 5. DEMONSTRATION PROJECTS.**

16 (a) GRANTS.—The Secretary shall make grants to eli-
17 gible entities to pay for the Federal share of the cost of
18 carrying out projects that provide, through various mecha-
19 nisms, wage replacement for eligible families that are re-
20 sponding to caregiving needs resulting from the birth or
21 adoption of a son or daughter or other family caregiving
22 needs. The Secretary shall make the grants for periods
23 of 5 years.

1 (b) ELIGIBLE ENTITIES.—To be eligible to receive a
2 grant under this section, an entity shall be a State or polit-
3 ical subdivision of a State.

4 (c) USE OF FUNDS.—

5 (1) IN GENERAL.—An entity that receives a
6 grant under this section may use the funds made
7 available through the grant to provide partial or full
8 wage replacement as described in subsection (a) to
9 eligible families—

10 (A) directly;

11 (B) through an insurance program, such
12 as a State temporary disability insurance pro-
13 gram or the State unemployment compensation
14 benefit program;

15 (C) through a private disability or other
16 insurance plan, or another mechanism provided
17 by a private employer; or

18 (D) through another mechanism.

19 (2) ADMINISTRATIVE COSTS.—No entity may
20 use more than 10 percent of the total funds made
21 available through the grant during the 5-year period
22 of the grant to pay for the administrative costs re-
23 lating to a project described in subsection (a).

24 (d) ELIGIBLE FAMILIES.—The entity shall provide
25 the wage replacement to eligible families, which—

1 (1) shall include families that include an indi-
2 vidual who is taking leave, under the Family and
3 Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.),
4 other Federal, State, or local law, or a private plan,
5 for a reason described in subparagraph (A) or (B)
6 of section 102(a)(1) of the Family and Medical
7 Leave Act of 1993 (29 U.S.C. 2612(a)(1));

8 (2) at the option of the eligible entity, may in-
9 clude families that include an individual who—

10 (A) is taking leave, under that Act, other
11 Federal, State, or local law, or a private plan,
12 for a reason described in subparagraph (C) or
13 (D) of section 102(a)(1) of the Family and
14 Medical Leave Act of 1993 (29 U.S.C.
15 2612(a)(1)); or

16 (B) leaves employment because the individ-
17 ual has elected to care for a son or daughter
18 under age 1; and

19 (3) at the option of the eligible entity, may in-
20 clude other families, or families that include other
21 individuals, with characteristics specified by the eli-
22 gible entity in an application described in subsection
23 (e).

24 (e) APPLICATION.—To be eligible to receive a grant
25 under this section, an entity shall submit an application

1 to the Secretary, at such time, in such manner, and con-
2 taining such information as the Secretary may require, in-
3 cluding, at a minimum—

4 (1) a plan for the project to be carried out with
5 the grant;

6 (2) information demonstrating that the appli-
7 cant consulted representatives of employers and em-
8 ployees, including labor organizations, in developing
9 the plan;

10 (3) estimates of the costs and benefits of the
11 project;

12 (4) information on the number and type of fam-
13 ilies to be covered by the project, and the extent of
14 such coverage in the area served under the grant;

15 (5) if the project will expand on State and pri-
16 vate systems of wage replacement for eligible fami-
17 lies, information on the manner in which the project
18 will expand on the systems;

19 (6) information demonstrating the manner in
20 which the wage replacement assistance provided
21 through the project will assist families in which an
22 individual takes leave as described in subsection
23 (d)(1); and

1 (7) an assurance that the applicant will partici-
2 pate in efforts to evaluate the effectiveness of the
3 project.

4 (f) SELECTION CRITERIA.—In selecting entities to re-
5 ceive grants for projects under this section, the Secretary
6 shall—

7 (1) take into consideration—

8 (A) the scope of the proposed projects;

9 (B) the cost-effectiveness, feasibility, and
10 financial soundness of the proposed projects;

11 (C) the extent to which the proposed
12 projects would expand access to wage replace-
13 ment in response to family caregiving needs,
14 particularly for low-wage employees, in the area
15 served by the grant; and

16 (D) the benefits that would be offered to
17 families and children through the proposed
18 projects; and

19 (2) to the extent feasible, select entities propos-
20 ing projects that utilize diverse mechanisms, includ-
21 ing expansion of State unemployment compensation
22 benefit programs, and establishment or expansion of
23 State temporary disability insurance programs, to
24 provide the wage replacement.

25 (g) FEDERAL SHARE.—

1 (1) IN GENERAL.—The Federal share of the
2 cost described in subsection (a) shall be—

3 (A) 50 percent for the first year of the
4 grant period;

5 (B) 40 percent for the second year of that
6 period;

7 (C) 30 percent for the third year of that
8 period; and

9 (D) 20 percent for each subsequent year.

10 (2) NON-FEDERAL SHARE.—The non-Federal
11 share of the cost may be in cash or in kind, fairly
12 evaluated, including plant, equipment, and services
13 and may be provided from State, local, or private
14 sources, or Federal sources other than this Act.

15 (h) SUPPLEMENT NOT SUPPLANT.—Funds appro-
16 priated pursuant to the authority of this Act shall be used
17 to supplement and not supplant other Federal, State, and
18 local public funds and private funds expended to provide
19 wage replacement.

20 (i) EFFECT ON EXISTING RIGHTS.—Nothing in this
21 Act shall be construed to supercede, preempt, or otherwise
22 infringe on the provisions of any collective bargaining
23 agreement or any employment benefit program or plan
24 that provides greater rights to employees than the rights
25 established under this Act.

1 **SEC. 6. EVALUATIONS AND REPORTS.**

2 (a) AVAILABLE FUNDS.—The Secretary shall use not
3 more than 2 percent of the funds made available under
4 section 5 to carry out this section.

5 (b) EVALUATIONS.—The Secretary shall, directly or
6 by contract, evaluate the effectiveness of projects carried
7 out with grants made under section 5, including conduct-
8 ing—

9 (1) research relating to the projects, including
10 research comparing—

11 (A) the scope of the projects, including the
12 type of insurance or other wage replacement
13 mechanism used, the method of financing used,
14 the eligibility requirements, the level of the
15 wage replacement benefit provided (such as the
16 percentage of salary replaced), and the length
17 of the benefit provided, for the projects;

18 (B) the utilization of the projects, includ-
19 ing the characteristics of employees who benefit
20 from the projects, particularly low-wage work-
21 ers, and factors that determine the ability of el-
22 igible employees to obtain wage replacement
23 through the projects; and

24 (C) the costs of and savings achieved by
25 the projects, including the cost-effectiveness of

1 the projects and their benefits for children and
2 families;

3 (2) analysis of the overall need for wage re-
4 placement; and

5 (3) analysis of the impact of the projects on the
6 overall availability of wage replacement.

7 (c) REPORTS.—

8 (1) INITIAL REPORT.—Not later than 3 years
9 after the beginning of the grant period for the first
10 grant made under section 5, the Secretary shall pre-
11 pare and submit to Congress a report that contains
12 information resulting from the evaluations conducted
13 under subsection (b).

14 (2) SUBSEQUENT REPORTS.—Not later than 4
15 years after the beginning of that grant period, and
16 annually thereafter, the Secretary shall prepare and
17 submit to Congress a report that contains—

18 (A) information resulting from the evalua-
19 tions conducted under subsection (b); and

20 (B) usage data for the demonstration
21 projects, for the most recent year for which
22 data are available.

1 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

2 There are authorized to be appropriated to carry out
3 this Act \$400,000,000 for fiscal year 2000 and such sums
4 as may be necessary for each subsequent fiscal year.

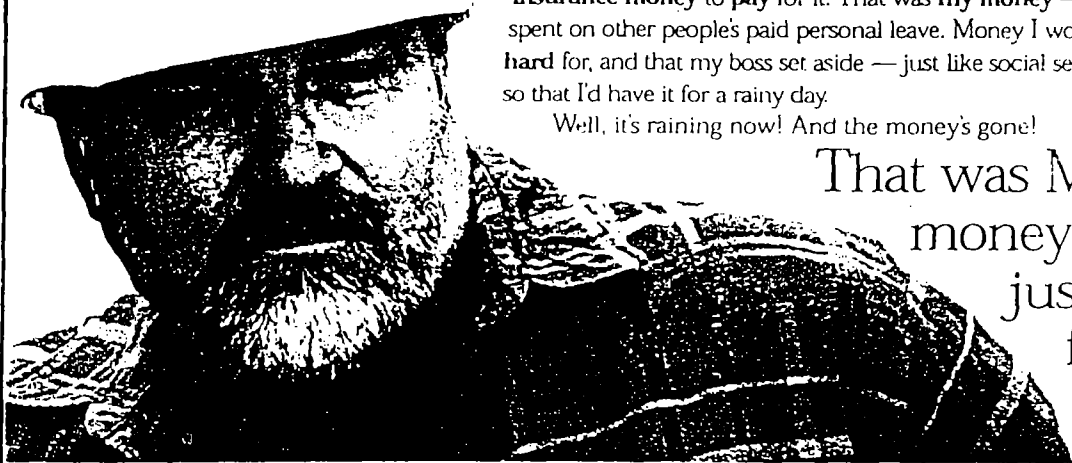
A Flash Into The **Future**

Back in 1999, when times were good, some people thought good times would last forever. Then they raided the Unemployment Insurance fund to pay for the Family and Medical Leave Act. Now we're paying the price . . .

After 18 years pouring foundations, I'm out of work — downsized. ... Real estate market bottomed out. ... All I know is my little girl starts college in the Fall and I don't know where next month's mortgage is coming from. Sure, my employer paid in to unemployment insurance for me for years, but the money's **all gone** — spent on paid personal leave. People getting paid for taking off work and using **my unemployment insurance money** to pay for it. That was **my money** — spent on other people's paid personal leave. Money I worked **hard** for, and that my boss set aside — just like social security — so that I'd have it for a rainy day.

Well, it's raining now! And the money's gone!

That was **MY**
money! It's
just not
fair!



The Department of Labor is issuing regulations to allow Unemployment Insurance Trust Funds to be misdirected for NEW benefits under the Family and Medical Leave Act. Raiding UI funds would severely jeopardize the future security of America's workers.

Help Save Unemployment Insurance!

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Society for Human Resource Management
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American Society for Healthcare Human Resources Administration
Michigan Health and Hospital Association
National Federation of Independent Business
Painting Industries of America
International Mass Retail Association

THE UNEMPLOYMENT INSURANCE WORKING GROUP

A coalition committed to stopping proposals which misdirect unemployment insurance (UI) funds by taking money reserved for the unemployed to provide paid family leave.



**CENTER FOR
POLICY
ALTERNATIVES**

National Partnership
for Women & Families

**Family Leave Income:
How States are Leading the Way Towards Solving the
Problem of Unpaid Leave**

*Universal North Building
Greeley Hall, 3rd Floor
1875 Connecticut Avenue, NW, Washington, DC*

*December 3, 1999
8:30 am - 12:00 pm*

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Sponsor	Bill Number	State	Status	Bill Summary
Senator Jim Baumgart	WI S 255	Wisconsin	In Assembly. Read third time. Passed Assembly. Ordered enrolled.	Allows an employee to be paid unemployment insurance benefits during a leave of absence. Also defines the rate and amount of pay to be distributed during leave.



State of the States: Overview of Paid Leave

The following is a summary of recent legislation introduced in the states to help workers receive an income when they have to take family or medical leave.

Sponsor	Bill Number	State	Status	Bill Summary
Assemblyman Carl Washington	CA A 1162	California	Heard and remains in Assembly Committee on Appropriations.	Entitles expecting mothers who are incapable of performing work-related duties, to maternity disability benefits for a period of 10 weeks.
Assemblyman. Wally Knox	CA AB 109	California	Chaptered by Secretary of State. Chapter No. 164.	Requires an employer who provides sick leave to permit an employee to use accrued sick leave for an absence due to family or medical reasons. Prohibits any disciplinary reactions by employers against employees for using sick leave for such purposes.

Sponsor	Bill Number	State	Status	Bill Summary
Senator Hilda Solis	CA SB 656	California	Chaptered by Secretary of State. Chapter No. 973.	Requires the Employment Development Department to report to the Legislature, by July 1, 2000, the fiscal impact on the Disability Fund of extending unemployment compensation disability benefits to individuals absent from work due to family or medical leave.
Representative Mark Shriver	MD H 1204	Maryland	Signed by Governor.	Requires a private employer that grants paid sick leave to allow an employee to use sick leave for specified circumstances. Also requires a private employer to allow an employee to use up to 30 sick days to care for a child under certain circumstances.
Representative Patricia Jehlen	MA H 1700	Massachusetts	Still in Joint Committee on Commerce and Labor	Provides compensation to employees on disability or parental leave through Family and Temporary Disability Leave Insurance.
Representative Anne Paulsen	MA H 1890	Massachusetts	Still in Joint Committee on Commerce and Labor	Provides unemployment benefits for leave to any employee who takes more than a week of unpaid job-protected leave under the 1993 FMLA. Also provides benefits for employees whose employer does not employ 50+ employees or has not been on the job for over 12 months.

Sponsor	Bill Number	State	Status	Bill Summary
Senator Stephen Lynch	MA S 61	Massachusetts	Still in Joint Committee on Commerce and Labor.	Provides unemployment benefits for family and medical leave to any employee who takes more than one week of unpaid job protected leave under the 1993 FMLA. Also provides benefits for employees whose employer does not employ 50+ employees or has not been on the job for over 12 months.
Representative Peggy Bergsagel	MT H 572	Montana	Session adjourned 4-21-99. No carryover	Requires maternity coverage in disability insurance.
Assemblyman. Charles Zisa	NJ A 1842	New Jersey	To Assembly Committee on Labor.	Provides family disability leave to individuals who are subject to accident or illness which is not compensable under the workmen's compensation law or who need to care for family members unable to care for themselves.
Assemblywoman. Catherine Nolan	NY A 5167	New York	To Assembly Committee on Ways and Means.	Provides disability insurance to employees taking family or medical leave.
Committee on Rules	NY A 8994	New York	To Assembly Committee on Ways and Means.	Provides unemployment benefits for any employee taking more than one week of unpaid family leave.
Committee on Rules	NY A 9056	New York	To Assembly Committee on Labor.	Provides unemployment benefits for any employee taking more than one week of unpaid, job-protected family leave pursuant to a leave voluntarily provided by the employee's employer for family or medical purposes.

Sponsor	Bill Number	State	Status	Bill Summary
Representative Dan Gardner	OR H 2927	Oregon	Assembly adjourned 7-24-99- No carryover.	Grants unemployment compensation to individuals who voluntarily leave work due to a lack of childcare services for children under the age of 13.
Senator Jan Backus	VT S 179	Vermont	Carried over to adjourned, session of 1999-2000 Biennium.	Authorizes payment of unemployment compensation to provide wage replacement for employees who otherwise could not afford to take unpaid family or parental leave.
Senator Richard Holland	VA S 126	Virginia	House accepts Governor's recommended amendments.	Establishes a program for sick leave, family leave, and personal leave compensation through short-term/long-term disability insurance for state classified employees. The plan would cover appointed officials, elected officials, and university faculty.
Senator Lisa Brown	WA S 5959	Washington	Session adjourned bill carried over	Allows for a parent, upon the birth or adoption of a child, to take five weeks leave covered by unemployment compensation, if he or she has met all the other qualifications for collecting unemployment compensation.
Representative Mary Lou Dickerson	WA H 2074	Washington	Session adjourned bill carried over	Allows for a parent, upon the birth or adoption of a child, to take five weeks leave covered by unemployment compensation, if he or she has met all the other qualifications for collecting unemployment

**S. 1355, Family Income to Respond to Significant Transitions
(FIRST) Insurance Act
Senator Christopher J. Dodd**

Research demonstrates that parents' involvement with new babies has a major influence on their child's physical, cognitive, and social development. And yet few policies support them during these all essential weeks and months.

The Family and Medical Leave Act has helped many Americans care for infants and other family members during critical moments in the lives of their families. However, many more Americans are unable to enjoy the benefits of the FMLA because it is unpaid. Nearly two-thirds of employees who need to take a family or medical leave but do not take one report that they cannot afford to take a leave. In order to cope financially with taking a leave, 40% of leave-takers without full wage replacement cut their leaves short, 39% put off paying bills, and 25% borrow money. Taking a leave often drives families into poverty, with 21% of low-income leave-takers without full wage replacement resorting to welfare.

The concept of providing wage replacement to allow parents to care for their children is not new -- in fact, it has been tested around the globe. Every other industrialized nation and over 30 developing nations provide parents with paid leave for infant care. Several states already provide some assistance through temporary disability insurance, and others are looking at innovative ways of meeting the needs of new parents. It is time to move forward on a national partnership with states to support new parents.

FIRST Insurance

This legislation authorizes \$400 million for a FIRST Insurance Demonstration program, which will fund projects in a number of states or local communities. These projects will utilize different mechanisms, such as temporary disability insurance or expansion of the state's unemployment insurance system, to provide parents with full or partial wage replacement after the birth or adoption of a child. States or local governments could choose to expand this benefit to additional families, including those taking FMLA leaves or other leaves to care for family members, or those parents who choose to stay at home with their infants. During the first year of the program, the federal grants will provide 50% of the funding for the demonstration projects, gradually decreasing to 20% after 4 years.

A portion of the funding will be used for a national evaluation, including research comparing the different projects on their scope (such as the mechanism for wage replacement and the level of the benefit provided), their utilization, and their costs and savings.

106TH CONGRESS
1ST SESSION

S. 1355

To establish demonstration projects to provide family income to respond to significant transitions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 13 (legislative day, JULY 12), 1999

Mr. DODD (for himself, Mr. KENNEDY, Mr. LEAHY, and Mrs. MURRAY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To establish demonstration projects to provide family income to respond to significant transitions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Family Income to Re-

5 spond to Significant Transitions Insurance Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

8 (1) nearly every industrialized nation other than
9 the United States, and most developing nations, pro-
10 vide parents with paid leave for infant care;

1 (2)(A) parents' interactions with their infants
2 have a major influence on the physical, cognitive,
3 and social development of the infants; and

4 (B) optimal development of an infant depends
5 on a strong attachment between an infant and the
6 infant's parents;

7 (3) nearly $\frac{2}{3}$ of employees, who need to take
8 family or medical leave, but do not take the leave,
9 report that they cannot afford to take the leave;

10 (4) although some employees in the United
11 States receive wage replacement during periods of
12 family or medical leave, the benefit of wage replace-
13 ment is not shared equally in the workforce, as dem-
14 onstrated by the fact that—

15 (A) employees with less education and
16 lower income are less likely to receive wage re-
17 placement than employees with more education
18 and higher salaries; and

19 (B) female employees, employees from ra-
20 cial minority groups, and younger employees
21 are slightly less likely to receive wage replace-
22 ment than male employees, white employees,
23 and older employees, respectively;

1 (5) in order to cope financially with taking fam-
2 ily or medical leave, of persons taking that leave
3 without full wage replacement—

4 (A) 40 percent cut their leave short;

5 (B) 39 percent put off paying bills;

6 (C) 25 percent borrowed money; and

7 (D) 9 percent obtained public assistance;

8 (6) taking family or medical leave often drives
9 employees earning low wages into poverty, and 21
10 percent of such low-wage employees who take family
11 or medical leave without full wage replacement re-
12 sort to public assistance;

13 (7) studies document shortages in the supply of
14 infant care, and that the shortages are expected to
15 worsen as welfare reform measures are implemented;
16 and

17 (8) compared to 30 years ago, families have ex-
18 perience an average decrease of 22 hours per week
19 in time that parents spend with their children.

20 **SEC. 3. PURPOSES.**

21 The purposes of this Act are—

22 (1) to establish a demonstration program that
23 supports the efforts of States and political subdivi-
24 sions to provide partial or full wage replacement,
25 often referred to as FIRST insurance, to new par-

1 ents so that the new parents are able to spend time
2 with a new infant or newly adopted child, and to
3 other employees; and

4 (2) to learn about the most effective mecha-
5 nisms for providing the wage replacement assistance.

6 **SEC. 4. DEFINITIONS.**

7 In this Act:

8 (1) SECRETARY.—The term “Secretary” means
9 the Secretary of Labor, acting after consultation
10 with the Secretary of Health and Human Services.

11 (2) SON OR DAUGHTER; STATE.—The terms
12 “son or daughter” and “State” have the meanings
13 given the terms in section 101 of the Family and
14 Medical Leave Act of 1993 (29 U.S.C. 2611).

15 **SEC. 5. DEMONSTRATION PROJECTS.**

16 (a) GRANTS.—The Secretary shall make grants to eli-
17 gible entities to pay for the Federal share of the cost of
18 carrying out projects that assist families by providing,
19 through various mechanisms, wage replacement for eligi-
20 ble individuals that are responding to caregiving needs re-
21 sulting from the birth or adoption of a son or daughter
22 or other family caregiving needs. The Secretary shall make
23 the grants for periods of 5 years.

1 (b) ELIGIBLE ENTITIES.—To be eligible to receive a
2 grant under this section, an entity shall be a State or polit-
3 ical subdivision of a State.

4 (c) USE OF FUNDS.—

5 (1) IN GENERAL.—An entity that receives a
6 grant under this section may use the funds made
7 available through the grant to provide partial or full
8 wage replacement as described in subsection (a) to
9 eligible individuals—

10 (A) directly;

11 (B) through an insurance program, such
12 as a State temporary disability insurance pro-
13 gram or the State unemployment compensation
14 benefit program;

15 (C) through a private disability or other
16 insurance plan, or another mechanism provided
17 by a private employer; or

18 (D) through another mechanism.

19 (2) ADMINISTRATIVE COSTS.—No entity may
20 use more than 10 percent of the total funds made
21 available through the grant during the 5-year period
22 of the grant to pay for the administrative costs re-
23 lating to a project described in subsection (a).

1 (d) ELIGIBLE INDIVIDUALS.—To be eligible to re-
2 ceive wage replacement under subsection (a), an individual
3 shall—

4 (1) meet such eligibility criteria as the eligible
5 entity providing the wage replacement may specify
6 in an application described in subsection (e); and

7 (2) be—

8 (A) an individual who is taking leave,
9 under the Family and Medical Leave Act of
10 1993 (29 U.S.C. 2601 et seq.), other Federal,
11 State, or local law, or a private plan, for a rea-
12 son described in subparagraph (A) or (B) of
13 section 102(a)(1) of the Family and Medical
14 Leave Act of 1993 (29 U.S.C. 2612(a)(1));

15 (B) at the option of the eligible entity, an
16 individual who—

17 (i) is taking leave, under that Act,
18 other Federal, State, or local law, or a pri-
19 vate plan, for a reason described in sub-
20 paragraph (C) or (D) of section 102(a)(1)
21 of the Family and Medical Leave Act of
22 1993 (29 U.S.C. 2612(a)(1)); or

23 (ii) leaves employment because the in-
24 dividual has elected to care for a son or
25 daughter under age 1; or

1 (C) at the option of the eligible entity, an
2 individual with other characteristics specified by
3 the eligible entity in an application described in
4 subsection (e).

5 (e) APPLICATION.—To be eligible to receive a grant
6 under this section, an entity shall submit an application
7 to the Secretary, at such time, in such manner, and con-
8 taining such information as the Secretary may require, in-
9 cluding, at a minimum—

10 (1) a plan for the project to be carried out with
11 the grant;

12 (2) information demonstrating that the appli-
13 cant consulted representatives of employers and em-
14 ployees, including labor organizations, in developing
15 the plan;

16 (3) estimates of the costs and benefits of the
17 project;

18 (4)(A) information on the number and type of
19 families to be covered by the project, and the extent
20 of such coverage in the area served under the grant;
21 and

22 (B) information on any criteria or characteris-
23 tics that the entity will use to determine whether an
24 individual is eligible for wage replacement under

1 subsection (a), as described in paragraphs (1) and
2 (2)(C) of subsection (d);

3 (5) if the project will expand on State and pri-
4 vate systems of wage replacement for eligible indi-
5 viduals, information on the manner in which the
6 project will expand on the systems;

7 (6) information demonstrating the manner in
8 which the wage replacement assistance provided
9 through the project will assist families in which an
10 individual takes leave as described in subsection
11 (d)(1); and

12 (7) an assurance that the applicant will partici-
13 pate in efforts to evaluate the effectiveness of the
14 project.

15 (f) SELECTION CRITERIA.—In selecting entities to re-
16 ceive grants for projects under this section, the Secretary
17 shall—

18 (1) take into consideration—

19 (A) the scope of the proposed projects;

20 (B) the cost-effectiveness, feasibility, and
21 financial soundness of the proposed projects;

22 (C) the extent to which the proposed
23 projects would expand access to wage replace-
24 ment in response to family caregiving needs,

1 particularly for low-wage employees, in the area
2 served by the grant; and

3 (D) the benefits that would be offered to
4 families and children through the proposed
5 projects; and

6 (2) to the extent feasible, select entities pro-
7 posing projects that utilize diverse mechanisms, in-
8 cluding expansion of State unemployment compensa-
9 tion benefit programs, and establishment or expan-
10 sion of State temporary disability insurance pro-
11 grams, to provide the wage replacement.

12 (g) FEDERAL SHARE.—

13 (1) IN GENERAL.—The Federal share of the
14 cost described in subsection (a) shall be—

15 (A) 50 percent for the first year of the
16 grant period;

17 (B) 40 percent for the second year of that
18 period;

19 (C) 30 percent for the third year of that
20 period; and

21 (D) 20 percent for each subsequent year.

22 (2) NON-FEDERAL SHARE.—The non-Federal
23 share of the cost may be in cash or in kind, fairly
24 evaluated, including plant, equipment, and services

1 and may be provided from State, local, or private
2 sources, or Federal sources other than this Act.

3 (h) SUPPLEMENT NOT SUPPLANT.—Funds appro-
4 priated pursuant to the authority of this Act shall be used
5 to supplement and not supplant other Federal, State, and
6 local public funds and private funds expended to provide
7 wage replacement.

8 (i) EFFECT ON EXISTING RIGHTS.—Nothing in this
9 Act shall be construed to supersede, preempt, or otherwise
10 infringe on the provisions of any collective bargaining
11 agreement or any employment benefit program or plan
12 that provides greater rights to employees than the rights
13 established under this Act.

14 **SEC. 6. EVALUATIONS AND REPORTS.**

15 (a) AVAILABLE FUNDS.—The Secretary shall use not
16 more than 2 percent of the funds made available under
17 section 5 to carry out this section.

18 (b) EVALUATIONS.—The Secretary shall, directly or
19 by contract, evaluate the effectiveness of projects carried
20 out with grants made under section 5, including
21 conducting—

22 (1) research relating to the projects, including
23 research comparing—

24 (A) the scope of the projects, including the
25 type of insurance or other wage replacement

1 mechanism used, the method of financing used,
2 the eligibility requirements, the level of the
3 wage replacement benefit provided (such as the
4 percentage of salary replaced), and the length
5 of the benefit provided, for the projects;

6 (B) the utilization of the projects, includ-
7 ing the characteristics of individuals who ben-
8 efit from the projects, particularly low-wage
9 workers, and factors that determine the ability
10 of eligible individuals to obtain wage replace-
11 ment through the projects; and

12 (C) the costs of and savings achieved by
13 the projects, including the cost-effectiveness of
14 the projects and their benefits for children and
15 families;

16 (2) analysis of the overall need for wage re-
17 placement; and

18 (3) analysis of the impact of the projects on the
19 overall availability of wage replacement.

20 (c) REPORTS.—

21 (1) INITIAL REPORT.—Not later than 3 years
22 after the beginning of the grant period for the first
23 grant made under section 5, the Secretary shall pre-
24 pare and submit to Congress a report that contains

1 information resulting from the evaluations conducted
2 under subsection (b).

3 (2) SUBSEQUENT REPORTS.—Not later than 4
4 years after the beginning of that grant period, and
5 annually thereafter, the Secretary shall prepare and
6 submit to Congress a report that contains—

7 (A) information resulting from the evalua-
8 tions conducted under subsection (b); and

9 (B) usage data for the demonstration
10 projects, for the most recent year for which
11 data are available.

12 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

13 There are authorized to be appropriated to carry out
14 this Act \$400,000,000 for fiscal year 2000 and such sums
15 as may be necessary for each subsequent fiscal year.

○