National Partnership for Women & Families

CHALLENGE 2·0·0·0

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COMMENTS:

Enclosed are some articles on family leave income (fli) I am faxing them at Lauren J. Asher's request. thank you.

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EDITORIALS

Party of One

With Jesse Ventura and his followers gone, Pat Buchanan now has an absolute lock on the Reform Party nomination—but the party has seen any national appeal it might have had to independents destroyed in the process. Buchanan's nostalgia for thirties-style America First politics varnished with modern-day racist overtones, and the very public feuding between the Ross Perot/Buchanan alliance and Jesse's camp, were eroding the renewed interest in Reform in the wake of Ventura's '98 election. "Our involvement with the national party was hurting us at the local level," says chief Ventura strategist Dean Barclay. Contrary to press speculation, Barclay makes it plain that Ventura will not try to create a new national party, instead concentrating on Minnesota politics as the 2002 gubernatorial election looms.

Ventura—who was never going to run himself this year—had no candidate to oppose Buchanan. He courted a reluctant Lowell Weicker, who's now campaigning for...John McCain. The putative candidacy of playboy casino king Donald Trump (and his checkbook) was always just smoke and mirrors—although the brilliant PR campaign orchestrated for The Donald by sulfurous GOP consultant Roger Stone bamboozled the gullible and copy-hungry media into giving the priapic developer a publicity bonanza he could never have purchased with the chump change he spent on this latest of his self-promotions.

Trump ended his flirtation with Reform after the raucous February 12 meeting of the party's national committee in Nashville—called by the Perotbots and the Buchananites to dump the Ventura-backed party chairman, Jack Gargan—degenerated into a brawl to which local police were called. Under the direction of Perot's longtime political commissar, Russ Verney—"Russ Vermin," Jesse called him—the meeting steamrollered all opposition, unseating state delegations opposed to Buchanan, Perot and Verney and seating favorable ones. Amid shouts of "Gestapo tactics," dissenters were dragged kicking and screaming from the microphones in front of the TV cameras.

Some disgruntled Reformers—including Trump's now-taskless spinners—have been trying to float a scenario by which Perot, having merely used Buchanan to get rid of Ventura, would stage an endorsement of McCain if the Arizonan wins the GOP nomination. This is nothing more than a pipe dream. Even before Nashville, Gargan conceded that Buchanan would have more than the one-third of the delegates at the August Reform nominating convention needed to block any such move. *Echt* Buchananites have already taken over the Reform affiliates in New Hampshire, Massachusetts, Connecticut, South Dakota, Wyoming, West Virginia, Alaska, Maryland, Nevada, Utah and Hawaii and share control of Texas with Perot loyalists; only in Virginia, Iowa and Wisconsin do Pitchfork Pat's opponents have the upper hand.

"I can never imagine Ross doing such a thing—never!" explodes the party's new chairman, Pat Choate, a Perot loyalist who was the Tiny Terror's veep candidate in '96 and who originally brokered the Buchanan/Perot alliance. "We didn't build this party to give it to the Republicans." (Choate, who is now operating out of Buchanan's campaign headquarters, also flatly declares that under no circumstances would Perot get into the race.) Furthermore, election laws in a number of states, like Ohio and Texas would prevent McCain from accepting cross-endorsements. And in any case, why would McCain, scion of admirals, want the nomination of an empty shell of a party freshly peopled by Buchananites when he was the first important Republican to denounce the brownshirted views in Pat's latest book?

Exit polls in New Hampshire and polls in other states show that blue-collar Buchanan voters are surging toward McCain. Although a series of lawsuits and FEC complaints by rump Reformers seeking control of the party coffers and records will no doubt easily be repulsed by Pat's lawyers—the courts and the FEC have traditionally been reluctant to interfere in intraparty squabbles—they only underscore the degradation of the party's image. Buchanan's fantasy of masses of union members, economic nationalists, right-wing Catholics and anti-choicers coalescing with the independent-minded *lumpen* middle classes definitively died in Nashville. Marginalized by Reform's implosion—which also means the end of any meaningful independent centrist party for the foreseeable future—and by his own incautious rhetoric (like his recent defense of Austria's Nazi-loving Jörg Haider), Buchanan won't break out of the low single digits in November. And that's good news for the GOP. DOUG IRELAND

Doug Ireland writes frequently on politics for The Nation.

IF POLITICS GOT REAL...

The second in a series of new ideas not likely to be heard in election 2000 but ripe for public debate and action. —The Editors

If politics got real, presidential candidates from both major parties might agree that mothers and fathers need paid leave from their jobs so they can care properly for their newborn children. The arguments could start over what's the best way to deliver paid leave. Nurturing a baby—learning how to care for him or her, becoming intimately attached to this new human being—is one of life's most exalting experiences for men and women alike. Yet despite America's great wealth and general prosperity, millions of parents are deprived of this experience.

The commitment is especially difficult for those of modest means, who cannot afford to pass up paychecks. But the failure is not theirs. It is society's. Since society depends crucially on families to sustain the continuity of its values, a public solution is obvious: Provide the necessary financial support.

Presidential candidates express deep devotion to the mythological American family yet manage to ignore this straightforward opportunity to do something for real-life families. But a reform campaign is under way without them—and has already built a promising beachhead. Its strategy is aimed at the states, since Washington has become a burial ground for important ideas, at least those social reforms not on the political agenda of business.

The reformers intend to persuade state governments to add paid family leave to the benefits provided by unemployment insurance

EDITORIALS

systems, financed by payroll taxes on employers. The National Partnership for Women & Families (www.nationalpartnership.org), which led the long campaign for the Family and Medical Leave Act of 1993 (calling for up to twelve weeks of unpaid leave for tending to newborns and family illnesses), points to the act as a model of how states can proceed. Four states—Maryland, Massachusetts, Vermont and Washington—are working to pass legislation adding paid family leave for infant care to their unemployment systems. Others are designing their own approach: California, New York and New Jersey, for instance, may decide that family-leave benefits should be channeled through temporary disability insurance rather than unemployment programs. President Clinton has proposed spending $20 million to study new ways for states to offer paid leave. Based on the unemployment model, the paid leave might typically replace one-half to two-thirds of a worker's regular wages. That would still gravely limit choices for those with lower incomes, but it's a lot better than zero.

The family leave campaign is following the classic path of social reform—starting in progressive states and building support for national legislation. It took nine years of local campaigning before Washington adopted unpaid family leave. By then, thirty or so states already had their own laws and many companies routinely granted leave to employees.

What might it cost the nation? A lot less than you perhaps imagine. The Labor Department estimates only $68 million for the four states seeking permission to experiment. In California, the most populous state, twelve-week leaves for newborns might cost $768 million, New York $409 million, New Jersey $266 million, according to estimates by the Institute for Women's Policy Research (www.iwpr.org). If those estimates are right, a modest program nationwide might fall between $5 billion and $10 billion a year. (By way of comparison, Senator John McCain has counted more than $6 billion in annual pork-barrel appro[priations] for the Pentagon that it didn't ask for and doesn't need.)

But genuine reform may cost more because another [prob]lem has to be confronted—the failure of the existing un[employ]ment insurance system to cover most workers. As com[panies] have reorganized the labor market, generating millions [of] jobs without any benefits or job security, the coverage [of un]employment insurance has shrunk dramatically. In the [...] jobless benefits covered an average of 49 percent of [un]employed; that figure, which rose to a peak of 75 percent [in the] seventies, is now 35 percent. A Texas study found that only 2[...] cent of unemployed women receive benefits, only 8.5 perc[ent of] part-time workers, only 18 percent of low-wage workers. [So] if paid leave were added to the present unemployment cov[erage,] those who most need this help would not get it.

The time is ripe for reforming both, according to the Na[tional] Employment Law Project (www.nelp.org). State insurance fu[nds,] supported by employer taxes, have become flush with surpl[uses] during the last few years of falling unemployment. In fif[teen] states, businesses have received the equivalent of major tax [cuts] as their unemployment insurance rates were reduced, and o[ther] states are planning the same. So the labor-law reformers [are] making common cause with the family-leave reformers.

Their strategy is smartly grounded in US social reform a[nd] should succeed in time. But the approach also raises troubl[ing] questions about our social values and the barriers to genuine [re]form. Why take an incremental route to such a central goal? Ev[en] if this new campaign achieves victory, it will still be far short [of] what many families need. At that point, additional improvemen[ts] could become torturously difficult to accomplish, and the benefi[ts] might be trapped at inadequate levels for less affluent familie[s]. This outcome is also the history of American social reform.

An alternative approach would seek society's unambiguou[s] commitment to the central importance of childrearing. That goa[l] assumes a straightforward obligation to equality for families wi[th] less income, and it recognizes the essential role of fathers, en[-]abling them to share more fully in parenthood's joys and burdens. It also acknowledges that America can easily afford to do what the industrial nations of Europe have long managed.

In Germany, for instance, both parents are entitled to paid leave with 100 percent wage replacement for the first fourteen weeks, then nearly two years of job leaves with generous benefits scaled to the family's income. In France, it's 100 percent for sixteen weeks, extending up to three years at a flat rate. In Sweden, the first year provides support equal to 80 percent of prior earnings. Even Britain provides 90 percent for the first six weeks, followed by twelve weeks of substantial aid. European governments are debating cutbacks in welfare programs, but nobody is threatening to diminish these family rights (in fact, parental leave benefits have been expanded in the European Union to include fathers).

The evidence from these public-spending obligations is inescapable: Europeans place a higher value on children and family life than do Americans. If politics got real in this country, there might be a robust debate about why this is so. WILLIAM GREIDER

William Greider is The Nation*'s national affairs correspondent.*

CALVIN TRILLIN

Paid family leave bill goes to public hearing

By Mike Eckel, Associated Press, 2/17/2000 21:48

MONTPELIER, Vermont (AP) Cecile Johnston of Cabot held down two part-time jobs until the birth of her second daughter in November. Now she has one part-time paycheck, which, she said, when combined with that of her full-time working husband, barely allows the couple to eke out a living.

"What I'm making now can hardly cover our expenses," Johnston said. "The majority of families today cannot survive on one income alone. Raising a family shouldn't be a luxury."

Johnston was among those testifying before the Senate General Affairs Committee Thursday night in support of a bill to establish a pilot program that would pay new parents when they take time off from work for family leave.

The three-year program would tap the sizable unemployment insurance trust fund, or possibly the state's general fund, to provide weekly payments up to $287 for a maximum of 12 weeks to new parents.

The bill also proposes dropping unemployment tax rates for employers by 0.1 percentage points, or about $2 million.

For some employers and business groups, such as the Vermont Chamber of Commerce, however, tapping the unemployment insurance trust fund would be taboo. Ultimately, they say, it would be employers who pay about $44 million annually in payroll taxes who would bear the risk of the new program.

This "will hurt the unemployed by jeopardizing the solvency of the unemployment trust fund," Mike Lannon, human resources director at Rutland Plywood Corp., told the committee. "The passage (of this bill) will make an employee as uncomfortable as a collision with a cactus."

Lannon said the issue should not be so much giving new parents money to raise their children, as finding ways to slow the increasing cost of child care.

Donna Lenhoff, of the Washington, D.C.-based National Partnership for Women & Families, argued the unemployment insurance system was a relic of a bygone era, one in which most households had one, usually male, breadwinner and women primarily were non-working mothers.

The workforce has changed, she said, with more women, and mothers, working, and more families requiring two incomes just to get by.

"We need to update the system to reflect the realities of today's workforce," she said.

Committee Chairwoman Susan Bartlett, D-Lamoille, said other states were considering similar measures to provide paid family leave. She emphasized that any measure passed in Vermont would have a "mathematical trigger" that would reduce paid leave benefits should the economy sink into recession or otherwise slow down.

Currently, the strong economy and robust tax revenues have swollen the state's unemployment trust fund to more than $270 million, according to the state Department of Employment and Training. The proposed plan would cost between $2 million and $9 million annually to administer.

Two of the committee members, Sens. Jan Backus, D-Chittenden, and Ben Ptashnik, D-Windsor, are among the sponsors of the measure. At least one senator on the committee Wednesday night voiced keen support for the bill.

"This bill is a wonderful preventative thing that helps families welcome their children into the world with a great start," said Sen. Janet Munt, D-Chittenden.

The unemployment insurance fund is a type of rainy-day reserve, funded by a tax on employers to ensure that benefit payments will be available for the unemployed even during an economic downturn.

RUTLAND HERALD
Tuesday, February 15, 2000 online edition
RUTLAND, VERMONT, U.S.A.

Bill proposes paid parental leave

February 15, 2000

By FREDERICK BEVER Vermont Press Bureau

MONTPELIER - Should parents be paid to spend time with their babies?

State law requires employers to offer parents unpaid leave when a child is born or adopted, but a bill that is gaining momentum in the Senate would provide new parents some financial help as well - if it gets past the business interests that have lined up in opposition.

The bill would tap an employer-financed fund that now pays weekly benefits that average $191 to workers who have lost their jobs and want new ones. In today's robust economy, the state's Unemployment Insurance Trust Fund has grown to $275 million, making it one of the strongest in the nation and a revenue source some policy-makers find tempting.

A recent change in federal law pushed by the Clinton administration allows experimental use of the trust fund for parental leave programs. Some Senate Democrats want to siphon off between $2 million and $2.5 million a year for a three-year program that would finance up to 12 weeks of paid leave for men and women with children under a year old or newly adopted children.

Supporters say the bill would give low- and moderate-income workers whose companies rarely offer paid leave the financial breathing room needed to get their children off to a good start. Opponents say that's a fine goal, but it shouldn't be funded from the existing tax on employers.

Working from 1998 figures, the state Department of Employment and Training estimates that roughly 2,300 new Vermont parents - mothers and fathers - would take advantage of leave financed by the trust fund in the program's first year. Parents would take an average of six weeks off, according to the legislative Joint Fiscal Office.

ELECTION 2000

Letters to the Editor

According to the fiscal office, the trust fund's condition is "more than adequate" to meet its obligations in the foreseeable future. Vermont's trust fund ranked in the top 10 states in each of four separate measures of its health, the office said.

"It is unlikely that enactment of this proposal would adversely affect the solvency of Vermont's (unemployment insurance) trust fund," wrote Mark Perrault, a joint fiscal office analyst, in a recent memo.

To sweeten the deal, lawmakers have proposed reducing the unemployment insurance tax by roughly $2 million a year, from its current overall level of about $44 million in Vermont. The reduction amounts to about $9 per employee per year - roughly equal to the estimated cost of the parental leave program.

Vermont labor unions back the proposal. They say societal changes that have brought more women away from home and into the workforce necessitate a change in unemployment policy that recognizes the needs of working parents.

"Vermonters - many of them single mothers - are being forced to choose between a possible financial crisis and their new babies' needs during those most critical first twelve weeks of life," said Ron Pickering, president of the Vermont chapter of the AFL-CIO umbrella labor organization.

"Each parent has to make a decision about what they want to do, and this perhaps will make that decision a little bit easier," Pickering said. "It is the right thing for Vermont families."

Supporters cite a federal report showing that close to 60 percent of mothers with babies under a year old are in the labor force. And when they are offered paid family leave, the same report said, women stay at work longer into their pregnancies and return to work sooner.

The business community, backed by Gov. Howard B. Dean, nevertheless opposes the bill. Groups like the Associated Industries of Vermont and the Vermont Chamber of Commerce say the trust fund was created solely to tide over able and willing workers while they looked for a new job. They also say the fund is entirely financed by taxes on business.

"This is the last safety net for Vermonters," said Gerard Morris, a lobbyist for AIV. "We call them survival dollars."

The unemployment insurance fund is financed by employer taxes that vary year-to-year depending on the health of the fund, the health of the economy, and according to how much a particular employer's workers have drawn from the fund in previous years.

The taxes can amount to anywhere from less than 1 percent to 5 percent of a company's payroll, and in Vermont last year averaged at about 2.6 percent of taxable wages. That was the lowest rate in New England, excepting New Hampshire. The fund provides the benefit - roughly 58 percent of wages, up to $275 - for qualifying workers for as long as 26 weeks.

Since 1990, according to the joint fiscal office, the fund's total payouts to workers have exceeded its income from employers. But interest income on the principle has more than covered the gap.

The bill as drafted would try to take advantage of the interest income for a program separate from parental leave; it would create a special fund to finance workforce training initiatives aimed at helping workers gain skills needed in the modern marketplace. That workforce fund would be started with interest that the unemployment fund currently earns, but the principle would remain available for paying unemployment benefits.

A $1.5 million workforce training initiative was funded last year from the state's general fund, in a last-minute deal between the House and Gov. Howard B. Dean that ended a showdown over whether Vermont should join the multi-state Powerball lottery. Dean has proposed the same level of funding from a projected surplus in fiscal 2001.

Christopher Barbieri, president of the Vermont Chamber of Commerce, said that while businesses supported both workforce training and parental leave benefits, neither should be paid for by the trust fund.

"It's the proverbial camel's nose under the tent," he said. "We believe the unemployment insurance trust fund should be held absolutely sacred on this issue... It was created to help those who are unemployed through no fault of their own to help with the transition into the next job."

The business community had opposed the unemployment insurance fund in the first place, back in 1935, when it was created as a New Deal initiative. But businesses have come to value the program, Barbieri said, as they saw the stability it brought to the workforce.

"It solves a lot of social needs and in some cases employers' needs to have somebody be away a month or two," he said, referring to the program's protections for seasonal workers who are periodically laid off and then rehired. "But the difference here is between what an unemployed breadwinner needs from what someone voluntarily taking parental leave needs."

While the fund may be healthy now, Barbieri added, businesses well remember the late 1970s and early 1980s, when it went broke. The state had to borrow from the federal government, and businesses were hit with a surcharge to help the fund out of the hole. Worst-case scenarios developed by the Department of Employment and Training show that in a severe economic downturn, the fund could once again fall short in 2004.

That could necessitate tax hikes, reduced benefits, state borrowing, or all three. Although the parental leave and workforce training initiatives might not significantly hasten that scenario, Barbieri said, allowing the fund to be used for non-traditional uses would inevitably lead to further expansions that would have a significant effect.

And he was skeptical of lawmakers' argument that the new initiatives would be provisional and could be rescinded if the fund proved to be endangered. Once a new parental leave benefit was added, he said, lawmakers would continue the program even after its initial three-year run.

"If we all agree that parental leave is a legitimate public purpose, then it should be a public policy that is supported by the public at large, whether it's through the general fund or a new, broad-based tax or any other way," Barbieri said.

He was rebutted by Sen. Jan Backus, D-Chittenden, who has pushed for years to use the fund not only for parental leave, but for broader family leave benefits and medical leave. Backus sits on the Senate General Affairs and Housing Committee, which will hold a State House hearing on the issue Thursday at 6 p.m.

"This is not a general fund obligation," Backus said. "It's strictly related to the marketplace, to the workplace ... so it belongs in that area of taxes that is related to employers, as do the traditional benefits like workers' compensation, and traditional unemployment insurance."

More news

HOME

This website is best viewed by Netscape 4.5 or better and Internet Explorer 4.0 or better. Earlier browsers may result in issues with javascript and Y2k non-compliance with dates.

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State Family-Leave Income Initiatives:
Making Family Leave More Affordable

Around the country, activists for women, children, seniors, and working families are organizing to make family leave more affordable through *family leave income*. Efforts have been undertaken in at least eleven states to provide family leave benefits. For example, many states are considering expanding unemployment or disability insurance to provide some pay during periods of unpaid family and medical leave.

- Most Americans -- fully 82% of women and 75% of men -- support such "family leave insurance" proposals. (National Partnership for Women & Families, Family Matters: A National Survey of Women and Men (1998)).

Currently, the federal Family and Medical Leave Act (FMLA) guarantees covered employees 12 weeks of *unpaid* leave each year to care for a newborn or newly adopted child or seriously ill family member (family leave), or to recover from their own serious health condition (medical leave). The FMLA was an essential step toward recognizing Americans' work and family responsibilities. However, because FMLA leave is unpaid, many employees cannot afford to take time off at the very time their families need them most.

- The bipartisan Family Leave Commission found that nearly two-thirds of employees who needed but did not take family or medical leave cited lost wages as the reason. (Commission on Leave, A Workable Balance: Report to Congress on Family and Medical Leave Policies (1996)).

Existing public and private responses are limited. For instance, five states (as well as Puerto Rico) require employers to offer temporary disability insurance (TDI), which provides partial wage replacement to employees who are temporarily disabled for non-work-related reasons, and many employers voluntarily offer TDI as an employee benefit. While TDI covers disabilities arising from pregnancy or childbirth, TDI currently offers no benefits for employees who take leave beyond the period of maternal disability, or take leave for paternity, for adoption, or to care for seriously ill family members. And while the five states with TDI systems employ 22% of working Americans, employees in the other states have no such coverage guarantees.

To make family leave more affordable for more Americans, state legislators, activists, and researchers are mobilizing behind a range of innovative proposals. Here is a sampling of current state efforts:

California Connecticut Indiana Iowa Maryland Massachusetts

Minnesota New Hampshire New Jersey New York Vermont Washington

California

A dynamic coalition of advocates for women, children, and labor advanced a family leave agenda for the 1999 legislative session. In 1999, California enacted a law requiring a study of the cost of extending the state's TDI program to cover family leave, and increasing the weekly TDI benefit cap from $336 to $490. Also in 1999, California passed a law requiring employers who offer paid sick leave to let employees use some of their sick leave to care for a sick child, parent, or spouse.

Contact:

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(916) 444-3676

Netsy Firestein
Labor Project for Working Families
(510) 643-6814

Aimee Durfee and Emily Katz Kishawi
Equal Rights Advocates
(415) 621-0672

Patricia Shiu
Employment Law Center
(415) 864-8848

Connecticut

In November 1999, the co-chairs of the Connecticut General Assembly's Labor Committee, Representative Christopher Donovan and Senator Edith Praigue, convened a task force to investigate the problem of unpaid leave and to make recommendations about family leave income legislation to be introduced in the 2000 legislative session.

Contact:

State Representative Christopher Donovan
(860) 240-0540

Leslie Brett
Connecticut Permanent Commission on the Status of Women
(860) 240-8300

Indiana

In January, 2000, Indiana House legislators introduced and passed a bill that would provide up to 12 weeks of unemployment insurance benefits to parents who take leave to care for a newborn or newly adopted child. The Senate now must consider the legislation and has referred it to the Committee on Pensions and Labor.

Contact:

State Senator Anita Bowser
(317) 232-9400

Iowa

A bill introduced during the 1998 legislative session would have established a fund for providing benefits to employees on family leave. It would also have created a work and family task force to examine the impact of this family leave insurance program.

Contact:

State Senator Michael Gronstal
(515) 281-3901

Maryland

A bill was introduced in February 2000 to provide up to 12 weeks of unemployment insurance benefits to parents who take leave to care for a newborn or newly adopted child. During the 1999 session, Maryland passed a law requiring employers that grant paid leave to workers following the birth of a child to grant the same leave to employees who adopt a child.

Contact:

Denise Davis
Maryland Women's Law Center
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Debra Gardner
Public Justice Center
(410) 625-9409

Massachusetts

Spearheaded by the Women's Statewide Legislative Network, a diverse and active Family Leave Coalition is rallying support for a bill to extend unemployment benefits to employees taking family and medical leave. The estimated cost of providing unemployment benefits for family and medical leave is less than $1.25 per week per employee. Also pending is a bill aiming to create a "family and employment security trust fund." In April 1999, the state legislature's Joint Committee on Commerce and Labor (chaired by Senator Stephen Lynch, sponsor of the unemployment insurance bill) held a hearing on two bills. A broad array of researchers, legislators, advocates, and leave-takers testified in support of the bills, and the hearing was widely and favorably reported by media across the state. The bills are currently pending in the Joint Committee on Commerce and Labor. Further, Massachusetts recently unveiled a $13 million plan to make the state a more "family friendly" employer, including a proposal to allow state workers to use up to 12 weeks of accumulated sick leave for maternity or adoptive leave without a doctor's note.

Contact:

Monica Halas
Greater Boston Legal Services
(617) 371-1270, ext. 621

Linda Johnson
Women's Statewide Legislative Network
(617) 426-1878

Minnesota

Since July 1998, a state-funded, at-home infant child care program has allowed working parents who fulfill income eligibility requirements to receive subsidies for caring for infants under the age of one.

Contact:

Cherie Kotilineck
Department of Children, Family and Learning
(651) 582-8562

New Hampshire

The New Hampshire House of Representatives is currently considering a bill to establish a committee to study a broad range of options for providing benefits to New Hampshire employees who take family and medical leave.

Contact:

Representative Mary Stuart Gile
(603) 224-2278

Jonathan Baird
New Hampshire Legal Assistance
(603) 542-8795

New Jersey

The New Jersey legislature will consider at least two family leave income initiatives this session. Bill A3027, introduced this February, would extend unemployment insurance benefits to employees who take leave to care for a newborn or newly adopted child and TDI benefits to employees who take leave to care for an ill parent, child, or spouse. Another bill introduced this legislative session – A1577 – would also extend benefits for leave taken to care for newborn or newly adopted children or ill parents, children or spouses, but would do so solely through the statewide TDI system.

Contact:

Laurel Brennan

New Jersey AFL-CIO
(609) 989-8730

Meryl Frank
New Jersey Coalition for Family & Medical Leave
(732) 247-3561

New York

A dedicated group of labor unions is generating support for family leave insurance in New York. A bill has been introduced to amend New York's TDI law to cover employees taking family leave.

Contact:

Assemblywoman Catherine Nolan
Attention: Geri Riley
Counsel for Labor Committee
New York State Assembly
Office of Program and Counsel
(518) 455-4311

Deborah King
New York Union Child Care Coalition, AFL-CIO
(212) 494-0524

Vermont

A bipartisan bill was introduced in the 2000 legislative session to authorize unemployment benefits for employees who take leave to care for newborn or newly adopted children, and to grant a 4.3% unemployment tax cut to employers. The estimated cost of providing income to workers on parental leave is less than 15 cents per week per employee.

Contact:

State Senator Jan Backus
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State Senator Cheryl Rivers
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State Senate President Peter Shumlin
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Washington

In February 2000, the Washington State Senate Committee on Labor and Workforce Development passed a bill providing 5 weeks of unemployment benefits for employees taking leave to care for newborn or newly adopted children. Similar legislation is also pending in the Washington House of Representatives. Washington law already allows employees to use accrued sick leave to care for sick children.

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updated 2/00

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Ann O'Leary
02/09/2000 07:52:26 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP@EOP, Eric P. Liu/OPD/EOP@EOP

cc: Anna Richter/OPD/EOP@EOP, Ruby Shamir/OPD/EOP@EOP, Karin Kullman/OPD/EOP@EOP, Lowell A. Weiss/WHO/EOP@EOP

Subject: Radio Address

Bruce and Eric -

We are moving ahead with the radio address on FMLA/paid leave. I wanted to update you and raise a few issues with you before proceeding.

Right now, we are focusing on three issues:

(1) FMLA legacy -- served approximately 20 million families, etc.

(2) Pushing for Expanded FMLA through the legislative agenda -- Support legislation that expands to businesses with 25 employers or more and allows for 24 hours leave for school-related purposes (e.g. parent-teacher conference) or non-emergeny medical issues (such as a child's doctors appointment).

(3) Laying the ground work for the future by exploring paid leave -- Re-ititerate the BAA-UI regulation (comments are in and DOL hopes to have final reg done by end of April) and the $20 million for competitive grants to states to explore ways to provide for paid leave. [The two issues we have with promoting the UI reg in this context is that the critics have accused us of using UI to make FMLA paid leave. DOL has tried to de-couple the FMLA and the proposed BAA-UI reg and is a bit concerned about linking them. They are also concerned that the proponents of this reg would like to open it up beyond new parents to Family and Medical leave more generally -- Kennedy wrote a letter to Secty Herman on this point. In this announcement we are talking about UI in relation to new parents and then in our next breath talking about allowing States to more generally explore FMLA. I think that if we frame it in terms of exploring a number of creative options to provide for paid leave that it will be fine, but it could leave us open to some criticism from our friends who want us to do more.]

There are several other FMLA issues that we have not commented on previously:

(1) The Dodd/Kennedy FIRST (Family Income to Respond to Significant Transitions) bill: Dodd sent a letter to Podesta during our budget considerations to ask for the inclusion of $400 million in our FY 2001 to support this bill. The bill would authorize up to $400 million to provide demonstration projects in States to provide for paid leave through UI or TDI, or other mechanisms. Our $20 million, as you know, would only allow for approximately 15 competitive grants to States to explore options for developing paid leave initiatives.

I do not recommend that we support this bill. Instead, I think we point to the fact that we are allowing States to explore paid leave in the case of new parents through UI and, more generally, through grants to States to look more in-depth at this issue through the $20 million. I do think, however, that in q&as we should signal general kudos to the Senators for putting this on the table and should also signal the support Dodd and Kennedy have demonstrated for our BAA-UI reg.

(2) Representative Maloney's extended family leave bill to expand FMLA to domestic partners, parent-in-laws, adult children, siblings, or grandparents. Internally, we have discussed a desire to signal support for this type of expansion, but Nicole and I did recognize that we wanted to continue to push for the top legislative priorities of 25 employers and 24 hours before muddying the waters with this bill. I would recommend, however, that at a later date we both rollout an EO to open up FMLA for the Federal government to domestic partners and others and to possibly endorse this bill. Do you agree that we should wait on the announcement of an intended EO and that at that time we might be able to signal a support for Maloney?

Lowell Weiss is writing the speech and will share a draft with us tomorrow and we'll have press paper for your review by Noon.

Thanks.

-Ann

[redacted]

Paid Parental/Family Leave Initiatives

The objective of the options discussed below is to take the next step in addressing the problem workers are facing with balancing work and the need for family and medical leave. Option 1 provides for demonstration grants to implement paid parental-leave programs in some States or sub-States as appropriate. Options 2 and 3 develop an information base that will help States make decisions on policies to reduce the financial barriers that preclude workers from taking needed family leave.

Option 1: Demonstration Grants. Provide $200 million for a new competitive Federal grant program for increasing the availability of paid parental leave. Grant money would be available to a limited number of States or appropriate sub-State entities to be used for:

- Subsidizing benefits in a demonstration or pilot program to provide paid leave to care for newly born infants and adopted children.
- Subsidizing administrative and startup costs for promising models of State-paid parental leave.
- Funding research that assesses the impact of existing and new paid leave activities.

The parental leave demonstrations would be targeted to low-income parents, but only one parent in a family would be eligible for benefits for the same child.

Option 2: State Planning Grants. Provide $20 million to fund competitive planning grants for States and other interested parties that want to explore options to address the problem workers have with balancing work with family and their own health-related needs.

This option would help interested States identify in more detail the workers that need financial assistance to take advantage of parental/family leave and to develop options to aid these workers. This would increase the visibility of the paid-leave discussion nationally, while developing concrete data on the costs and benefits of strategies to make leave more accessible and affordable.

Option 3: Research. Provide $2 million to fund additional research on recent experiences with family leave.

This option would augment the $2 million provided to the Department of Labor for research in FY 2000. Specifically, DOL is conducting a follow-up effort to evaluate the impact of Family and Medical Leave Act and explore options to make leave accessible and affordable to more of America's working families.

Federal Support for State Paid Parental Leave Initiatives

Background:

The Family Medical Leave Act (FMLA) signaled our nation's recognition that American workers face enormous obstacles in their struggle to balance work and family, and that the federal government can, and should, play a role in helping to achieve that balance. The FMLA enables millions of working Americans to care for a child after birth or adoption, by providing up to 12 weeks a year of unpaid, job-protected leave. But many of those workers are unable to take the full amount of time they need and are entitled to, because they simply cannot afford to go that long without a paycheck. Other workers who are not protected by FMLA but have access to unpaid leave can face the same dilemma.

Several state governments are exploring strategies to provide wage replacement for parents who have access to and want to take leave to care for a newborn or newly adopted infant but cannot afford to do so. The Department of Labor, at the direction of the President, has provided an opportunity for State agencies that administer the Unemployment Compensation (UC) program to pay, under a voluntary experimental program, UC to parents who take time off from employment after the birth or placement for adoption of a child. The Administration could further assist states in this effort, and encourage states to consider other paid leave initiatives, through a federally funded grant program. The funds could be used by states to underwrite the administrative and implementation (benefit) costs of starting up a state-funded benefit program; and to evaluate the success of state or local initiatives. Supporting these initiatives would not only benefit the working citizens of the individual states, but would also allow us to explore, through the "laboratory of the states," which approaches to paid parental leave work best and possible promising models for a nation-wide paid leave plan.

States could be invited to submit proposals, and grants could be awarded competitively, with the size and number of awards dependent upon the amount of funding available. In addition to new funds for the grants, we would need to have legislative authority for the grant program. It is possible that legislative authority for current DOL programs could be used **although new legislation would likely be necessary** to authorize a more flexible and complete grant program. The following proposal is similar to legislation introduced by Dodd/Woolsey this summer that would establish a demonstration program to support states and political subdivisions provide partial or full wage replacement to new parents and workers on other forms of FMLA leave. This legislation would also provide experience on what the most effective mechanism is for providing wage replacement assistance.

II. Proposal

Provide \$50 million to \$250 million for a new competitive federal grant program for increasing availability of paid parental leave. Grant monies would be available to states and appropriate sub-state entities to be used for some combination of the following:

1) Subsidizing benefits in a demonstration, or pilot program, to provide paid leave to care for newly born infants and adopted children.

2) Subsidizing administrative and startup costs for promising models of state paid parental leave.
3) Funding research that assesses the impact of existing and new paid leave activities.

Details of proposal

1) Subsidize benefits in a pilot or demonstration project:

The cost of a benefit subsidy (modeled after $200 a week federally paid leave proposal) is based on a $200 benefit a week per person; benefit cost varies from $9m-$38m per state, assuming between 4 and 12 weeks of paid leave to *women* with infants. Benefit costs could be reduced if assume a subsidy of less than $200 a week. The costs would, of course, increase up to two-fold if new fathers were covered.

2) Funding administrative and startup costs:

Administrative costs for the start-up of new state (or local level) program ranges from $250,000 to $2,500,000 per state (estimate based upon using UI system for delivery) – assuming first year operating costs of approximately $3m to $4m per state. A decision would need to made if it would be limited to a TDI-type state program or if it could be used for states wishing to use UI (after DOL's regulation is finalized).

3) Research and evaluation grants:

Cost per review-type paper estimated at $50,000.
Minimum funding for a single state commission including administration, travel and survey/review, assuming meets 6 times in one year is: travel $50,000.

Options for funding levels

- At $50m, the grants would probably be restricted to administrative grants and research; perhaps 10 state-wide administrative grants and the rest in research.
- At $100m, 3 or 4 grants for sub-state benefit subsidies or small states subsidies could be added to account for the additional $50m.
- At $200m, there would likely be no increase in administrative grants (not many more states than original 10 would be interested in administrative grants); with the additional $100m, benefit subsidies could be made available to 2 or 3 large states in addition to the 3 to 4 smaller benefit grants.
- At $250m, another large state benefit grant could be added, for a total of 3-4 large state benefit grants ($150m), 3-4 smaller state (or sub-state) benefit grants ($50m), 10 administrative grants ($35m), and about $15m in research.

Preliminary Grant Elements

Careful and targeted design of the grant program would be crucial, and should include the following factors:

- Specific policy goals to be served in addition to increasing workers' ability to take new parent leave, if any;
- Multi-activity proposals would be considered (i.e., combining benefit subsidy and/or administrative costs and/or research);
- Benefit subsidy/administrative costs proposals must include outcome measurement/ evaluation, perhaps with third party participation (such as universities) to assist in evaluation activities;
- Defined duration of pilot;
- Demonstrate sustainability of program -- likelihood of continuation without federal funding after demonstration/pilot period, if successful;
- Benefit recipient eligibility tied to need/income level (this would not apply to any UC based proposals);
- Benefit receipt eligibility includes workforce attachment requirement.

In addition, the following questions needed to be answered or criteria need to be developed while designing the grant program:

- How to limit the number of pilot benefit proposals;

- What are the specific criteria for selecting proposals, including:
  - size of population to be served;
  - issues to be addressed in research proposal;
  - areas for evaluation, e.g., at what benefit level/benefit duration are workers with various incomes more likely to take leave;
  - what impact does paid leave have on new parents' return to the workforce;
  - what impact does paid leave have on employer incentives to provide paid leave or unpaid leave (if not FMLA-covered);
  - length or amount of benefit;
  - ratio of federal subsidy to state dollars, and whether it could vary by proposal.

III. Factors to be considered

Pros:

- Minimizes federal dollars (compared to funding paid leave) by leveraging state funds;
- May encourage states to take advantage of new UI option;
- Announcement could be coordinated with Dodd/Woolsey plans;
- Expansion of programs such as TDI may have broader benefits than just parental leave (may also be con if it dilutes message too much);
- Experience could help with development/passage of federal legislation or lead to more states and private employers providing paid leave;

- Provides some real benefits to real people in need;
- Research and experimental program would be helpful in laying groundwork for widespread provision of paid leave.

Cons:

- Unclear if proposal is sufficient to get interest of states' and third parties (NGA, AFL-CIO) particularly given large cost of funding benefits and lukewarm reception to the DOL proposed rule;
- Difficulty in securing needed authorizing legislation;
- Delivery systems and benefits would vary across states;
- Possible conflicting signals with welfare to work (e.g., do we want low-income parents at home with kids or in workplace?);
- Benefit subsidy (vs. just using federal funds to cover administration) may not be appropriate for a one-time intervention -- would states be willing to pay for funding program (i.e. benefit) costs in the out years?
- Programs to provide government subsidized leave could create negative incentives for employers who currently, or might otherwise, provide paid leave for their employees.