

Elizabeth R. Newman
08/05/98 01:08:35 PM

Record Type: Record

To: See the distribution list at the bottom of this message

CC:

Subject: Statement by the President: 5th Year Anniversary of FMLA

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

August 5, 1998

STATEMENT BY THE PRESIDENT On the Fifth Anniversary of the Family and Medical Leave Act

Five years ago today, the Family and Medical Leave Act went into effect, giving tens of millions of Americans the peace of mind that they would never have to choose between the jobs they need and the families they love. I am very proud that the Family and Medical Leave Act was the very first piece of legislation I signed into law.

Millions of Americans have benefited from this historic legislation by taking time off -- without fear of losing their jobs -- to care for a newborn or adopted child, to attend to their own serious health needs, or to care for a seriously ill parent, child or spouse. In addition, a report issued today by the Department of Labor shows the relative ease with which the law has been implemented -- the overwhelming majority of employers have found the FMLA easy to administer and nine out of ten complaints have been successfully resolved, often with a simple phone call.

I have always believed that we can help our workers fulfill their family responsibilities and strengthen the economy and America's businesses. For five years, the Family and Medical Leave Act has helped us to fulfill both of those critical goals:

-30-30-30-

Message Sent To: _____



[Accessibility Information](#)



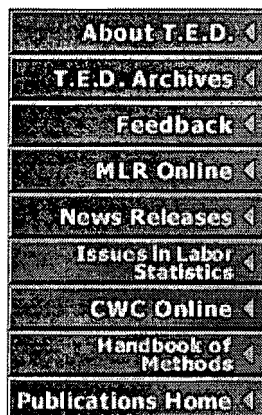
DESK BLOTTER

► **Workers with longer workweeks often earn more per hour**

► **Majority of employees have unpaid family leave benefit**

► **Professional and managerial occupations have higher wages**

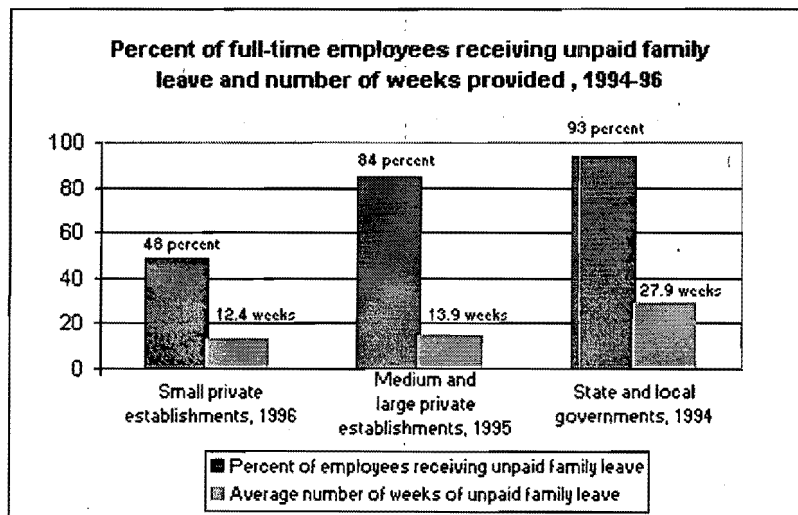
► **Injuries and illnesses with lost workdays declining**



Majority of employees have unpaid family leave benefit

Roughly two-thirds of employees in the private sector and State and local governments could receive unpaid family leave, recent data reveal.

In 1994, unpaid family leave was almost universally available (93 percent) for full-time employees of State and local governments, while medium and large employers reported in 1995 that 84 percent of full-timers were eligible for unpaid family leave. In 1996, unpaid family leave was available to 48 percent of full-time employees in small private establishments.



[Chart data—TXT]

Small employers provided an average of slightly more than 12 weeks of unpaid family leave per year. This compared to about 14 weeks per year for medium and large employers, and almost 28 weeks per year for State and local governments.

The availability of unpaid family leave was affected by the 1993 Family and Medical Leave Act. This federal law requires employers with 50 or more employees to provide up to 12 weeks of unpaid leave for a variety of conditions. Other State laws with more generous coverage or fewer restrictions also affect the incidence of unpaid family leave.

Data on unpaid family leave and other employee benefits are available from the BLS Employee Benefits Survey. Small employers are defined as those with fewer than 100 employees. Medium and large employers are those with 100 or more employees. For additional information, see "Unpaid Family Leave," *Compensation and Working Conditions*, Winter 1998.



**United States
Office of
Personnel
Management**

**FAX
TRANSMITTAL
SHEET**

**OFFICE OF THE DIRECTOR
1900 E STREET, NW., ROOM 5H09
WASHINGTON, DC 20415-0001**

Date: 5/18

Number of Pages
(including this one)

11

*His invoice
attached
by e-mail
or phone*

Please

Deliver

To:

Name: *Nicole RABNER*

Office:

DPC

Room:

Telephone:

456-2878

From:

Name: **Janice Lachance**

Mark Hunkler

Office:

Director

Room:

Telephone:

(202) 606-1000

FAX Number: **(202) 606-2076**

Remarks



OFFICE OF THE DIRECTOR

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

MEMORANDUM FOR: KAREN A. TRAMONTANO
ASSISTANT TO THE PRESIDENT

NICOLE RABNER
SPECIAL ASSISTANT TO THE PRESIDENT FOR
DOMESTIC POLICY AND SENIOR ADVISOR TO THE
FIRST LADY

Janice R. Lachance

FROM: JANICE R. LACHANCE
DIRECTOR

SUBJECT: New Tools for Parents in the New Economy

Attached, as requested, are 1) the draft Executive memorandum to revise Federal regulations to allow employees to use a total of up to 12 weeks of sick leave each year to care for a spouse, son, daughter, or parent with a serious health conditions, and to establish an Interagency Family Friendly Workplace Task Force, and 2) an expanded set of Questions and Answers supporting these initiatives.

Attachments (2)

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES**SUBJECT: New Tools for Parents and Families in the New Economy**

Since my Administration took office in 1993, I have encouraged Federal agencies to adopt a number of family friendly initiatives that would help Federal employees successfully balance their work and family responsibilities. In 1994, I directed the head of each executive department or agency to establish a program to encourage and support the expansion of flexible family friendly work arrangements. In 1996, I directed executive departments and agencies to review their personnel practices and develop a plan of action to use the flexible policies already in place and expand their ability to provide their employees with additional family friendly flexibilities and services.

Initiatives currently being implemented by a number of agencies include on-site child care; flexible working arrangements, including flexible schedules, job sharing, part-time employment; telecommuting; elder care information and referral services; child care resource and referral services; support groups; and policies that promote active inclusion of fathers as well as mothers. Taken together, these family friendly policies provide employees with a range of flexibilities, services, and options that can be utilized throughout one's Federal career.

A number of Federal agencies have taken comprehensive approaches to the challenge of establishing family friendly work environments. Programs include one-stop-service centers, resource centers, information available on the Internet, the formation of mentoring programs, and the establishment of on-site child development centers.

These initiatives have a proven track record for their ability to attract and retain a skilled workforce. Recent evidence suggests that greater loyalty to the agency is an added positive outcome. These policies that are good for families are clearly good for the business of the Federal Government.

My Administration has been particularly supportive of changes in Federal leave policy that are designed to help Federal employees meet their family and medical needs. These efforts began with the enactment of the Family and Medical Leave Act in February 1993. This legislation included separate provisions for Federal employees under which they, like their counterparts outside the Federal Government, may use a total of up to 12 weeks of unpaid leave during any 12-month period for (a) the birth of a son or daughter and care of the newborn; (b) the placement of a son or daughter with the employee for adoption or foster care; (c) the care of a spouse, son, daughter, or parent with a serious health condition; or (d) a serious health condition of the employee that make the employee unable to perform the duties of his or her position. I also supported legislation that authorized a permanent Federal leave sharing program, under which employees may donate their annual (vacation) leave individually or through a leave bank to other Federal employees who need additional *paid* time off because of a medical emergency affecting themselves or a family member.

In 1994, I supported legislation that established a permanent program under which Federal employees may use their paid sick leave for purposes related to the adoption of a child and a separate bill that authorized Federal employees to use up to 7 days of additional paid leave each year to serve as a bone-marrow or organ donor. My Administration issued Governmentwide regulations in late 1994 that authorized most Federal employees for the first time to use up to 13 days of their paid sick leave each year to provide care for a family member who is ill or to arrange for or attend the funeral of a family member.

In 1997, I asked Federal agencies to take action to ensure that Federal employees may schedule and be granted up to 24 hours of leave without pay each year for school and early childhood educational activities, routine family medical purposes, and attention to elderly relatives' health or care needs. In addition, Congress enacted legislation proposed by my Administration that authorized the establishment of an emergency leave transfer program for Federal employees affected by a major disaster or emergency.

Today I am taking action to demonstrate more clearly than ever before that the Federal Government, as an employer, is committed to helping its employees meet their obligations to their families. In addition, I am taking action to make sure that both managers and employees are aware of the benefits available to employees to assist them in balancing their work and family needs.

A New Sick Leave Policy for Federal Employees

First, I am directing the Office of Personnel Management to revise its Governmentwide regulations as soon as possible to allow Federal employees to use a total of up to 12 weeks of accrued sick leave each year to care for a spouse, son, daughter, or parent with a "serious health condition," as that term is defined for the purpose of applying the Family and Medical Leave Act of 1993 (FMLA).

The Federal Government already provides its employees with generous amounts of *paid* leave for many of the purposes for which *unpaid* leave is authorized by the FMLA. For example, Federal employees may use a combination of paid annual and sick leave, as appropriate, for absences related to the birth of a child. They may use an unlimited amount of paid sick leave for absences related to the adoption of a child. And, of course, they may use any available paid sick leave for absences necessitated by their own illness or injury and for routine medical, dental, and optical examination or treatment.

Until now, however, the amount of sick leave that could be used to care for a family member who is ill was limited to 13 days a year for most employees. The policy I am directing the Office of Personnel Management to implement by regulation will provide for the use of a total of up to 12 full weeks each year of paid sick leave for the care of a spouse, son, daughter, or parent with a serious health condition—an amount that is equivalent to the amount of *unpaid* leave mandated by the FMLA for this same purpose.

The use of paid sick leave under this policy will be subject to the same conditions as the use of unpaid leave for these same purposes under the FMLA. In particular, the same notification and certification requirements that govern the use of unpaid leave to care for a spouse, son, daughter, or parent under the FMLA will apply to Federal employees who wish to use paid sick leave for this same purpose.

Coordinating Family Friendly Human Resources Programs

Second, I am directing the Office of Personnel Management to establish an Interagency Family Friendly Workplace Task Force within 90 days to be responsible for the promotion, development, and evaluation of Federal family friendly workplace initiatives. The head of each executive department and agency will appoint a family friendly work/life coordinator who will be a member of this task force. The names of these individuals will be forwarded to the Office of Personnel Management (OPM). Agency family friendly work/life coordinators will periodically report on their initiatives, progress, and status to OPM's Interagency Family Friendly Workplace Task Force. Agencies will work collaboratively with OPM to develop and assess new initiatives that support agencies as they create more family friendly work environments.

Conclusion

I believe the new sick leave policy described above, together with a much more visible focal point for the coordination of family friendly programs within each Federal agency, will be a wise investment in the most important resource of the Federal Government—the people who make the Government work on a day-to-day basis. In addition, I believe it is essential for the Federal Government, as the largest employer in the United States, to set an example for other employers to follow. The Family and Medical Leave Act was an important first step in recognizing the needs and protecting the interests of all employees who have family and medical needs that require time away from work. But while much as has been gained from these policies, we must continue the momentum into the new millennium. I therefore urge all employers, both public and private, to follow the example I am setting today and begin the search for ways to ensure that our employees can meet their family obligations without serious financial disruption or hardship.

William J. Clinton

New Tools for Parents in the New Economy

Questions and Answers: A New Sick Leave Policy for Federal Employees

Q. How is the new sick leave policy different from the current policy on using sick leave for family care purposes?

A. Currently, most Federal employees may use a total of up to 13 days of sick leave for family care purposes, and then must use either annual leave, donated annual leave, or leave without pay, even when they still have sick leave available. The revised regulations would permit employees caring for a spouse, son, daughter, or parent with a serious health condition to use a total of up to 12 weeks of sick leave for this purpose.

This benefit would broaden the options available for employees to meet their family responsibilities. Mothers, fathers, grandparents (who are raising their grandchildren), and employees caring for their spouses and parents would all greatly benefit from this more generous leave benefit. This benefit also would address the dilemmas faced by parents of special needs children when trying to balance their work and family responsibilities.

Q. What is the current leave policy for pregnant employees? How will the new sick leave policy affect pregnant employees?

A. Pregnant employees are entitled to use sick leave for prenatal and postnatal medical appointments, hospitalization, and recovery from childbirth. Complicated conditions may require additional sick leave for periods of incapacitation. In addition, a mother or father is entitled to use up to 12 weeks of unpaid leave under the Family and Medical Leave Act (FMLA) for the birth of the newborn. Unpaid leave under the FMLA may be used within 1 year following the date of birth. In addition, a mother or father may use up to 13 days of sick leave for well baby appointments and to care for a newborn child during minor illnesses.

Under the new policy as well as under the current policy, a new mother may use any available sick leave for any period during which she is incapacitated by pregnancy and childbirth. Under the new policy, a new mother or father may use up to 12 weeks of sick leave to care for a newborn child with a serious health condition. If the new parent has already used 13 days of sick leave for family care purposes, he or she will be entitled to use the balance of the new 12-week entitlement to sick leave.

Q. Does the new proposal permit the use of 12 weeks of sick leave to care for a newborn child?

A. By law, employees may use sick leave only for periods of sickness and other incapacitation or for purposes related to the adoption of a child. OPM has no authority to permit employees to use sick leave for purposes other than those permitted by law. Employees may use annual leave or leave without pay to care for a healthy newborn or newly adopted child.

Q. What is a "serious health condition?"

A. A "serious health condition" is an illness, injury, impairment, or physical or mental condition that involves--

- (1) inpatient care in a hospital, hospice, or residential medical facility;
- (2) continuing treatment by a health care provider for a condition that results in **incapacity of more than 3 calendar days**, or would likely result in such incapacity in the absence of medical intervention, and incapacity caused by:
 - a. chronic serious health conditions, even if the individual episodes of incapacity are not more than 3 days in duration;
 - b. pregnancy and childbirth; and
 - c. permanent or long-term conditions for which treatment may not be effective.

Examples of serious health conditions include, but are not limited to, heart attacks, heart conditions requiring heart bypass or valve operations, most cancers, back conditions requiring extensive therapy or surgical procedures, kidney dialysis, physical therapy, strokes, severe respiratory conditions, spinal injuries, appendicitis, pneumonia, emphysema, severe arthritis, severe nervous disorders, injuries caused by serious accidents on or off the job, clinical depression, recovery from major surgery, final stages of a terminal illness, and Alzheimer's disease.

A "serious health condition" includes ongoing pregnancy, miscarriages, complications or illnesses related to pregnancy (such as severe morning sickness), the need for prenatal care, childbirth, and recovery from childbirth.

Q. How is "son or daughter" defined?

A. A "son or daughter" includes a biological, adopted, or foster child; a step child; a legal ward; or a child of a person standing in *loco parentis* who is under 18 years of age or 18 years or older and incapable of self care because of a mental or physical disability. Children incapable of self care require active assistance or supervision in activities of daily living, such as caring appropriately for one's grooming and hygiene, cooking and/or eating, using a telephone, maintaining a

residence, taking public transportation, etc.

Q. How will the new proposal affect new fathers?

A. A new father will be entitled to use a total of up to 12 weeks of sick leave to care for the biological mother while she is incapacitated. This includes prenatal and postnatal doctor's examinations, hospitalization, and recovery from childbirth. In most cases, however, the biological mother's period of incapacitation will not require 12 weeks.

The new father may use up to a total of up to 13 days of sick leave for well baby appointments and to care for the newborn during minor illnesses. If the father has already used 13 days of sick leave for family care purposes, he will be entitled to use the balance of the new 12-week entitlement to sick leave to care for the biological mother or newborn child with a serious health condition.

Q. What requirements apply when an employee requests 13 days of sick leave for family care purposed under the current sick leave policy?

A. An agency may require an employee to receive advance approval to use sick leave to care for a family member receiving medical, dental, or optical examination or treatment, and to the extent possible, for the care of a family member incapacitated by illness or injury. An agency may require an employee to provide administratively acceptable evidence of the need for sick leave to care for a family member.

Q. What must an employee do to request sick leave to care for a spouse, son, daughter, or parent with a serious health condition?

A. Under the new sick leave policy, the requirements for using paid sick leave to care for a spouse, son, daughter, or parent with a serious health condition will be the same as the requirements for using unpaid leave for this same purpose under the FMLA. Generally, an employee must give 30 days advance notice of his or her intent to use FMLA leave, if practicable. In addition, an agency may require an employee to provide medical certification for a serious health condition. If necessary, a second or third opinion from a health care provider may be requested.

Q. Are there any restrictions on the use of sick leave to care for a spouse, son, daughter, or parent with a serious health condition?

A. All employees may use up to 40 hours of sick leave for family care purposes. To use more than 40 hours, an employee must maintain a sick leave balance of 80 hours at all times. This limitation applies to any employee using sick leave to care for a family member.

- Q. Will employees who have previously taken leave without pay under the FMLA to care for a spouse, son, daughter, or parent with a serious health condition be able to substitute sick leave retroactively for the leave without pay?
- A. No. Under OPM's regulations, an employee may not retroactively substitute paid leave for unpaid leave previously taken under the FMLA. An employee must notify his or her agency in advance of his or her intent to substitute sick leave for unpaid leave under the FMLA.
- Q. Won't this proposal encourage the use of sick leave and therefore result in increased costs to the Government?
- A. We anticipate that only a small percentage of the Federal workforce will have a need to use large amounts of sick leave for family care purposes. In addition, not all Federal employees will have 12 weeks of sick leave available to use for this purpose. We believe the ability to use additional sick leave will encourage employees to conserve their sick leave as insurance against the possibility that they will need to care for their spouse, son, daughter, or parent in the future.
- Q. What is the estimated cost of the new sick leave policy?
- A. Based on our experience under the current sick leave program, we estimate that the total cost of the new sick leave policy will be less than \$80 million annually. This estimate is based on the assumption that 0.5 percent of the total Federal workforce will use the maximum amount of sick leave provided under the new policy.

Q. Why should family-friendly work/life coordinators be appointed at every agency?

A. Until now, agencies have had varying successes in implementing family-friendly initiatives. Some have enthusiastically embraced a family-friendly workplace culture while others have actively resisted such change. Even when Federal agencies have adopted family-friendly initiatives, it is not uncommon to learn that managers oftentimes find reasons for not permitting their utilization. Having a coordinator at every agency, will result in an efficient mechanism for disseminating information about family friendly policies and programs and sharing information about overcoming resistance to the adoption of such policies.

Q. What responsibilities will the new family-friendly program coordinator undertake?

- Making the full range of flexibilities available to employees to meet their personal and family responsibilities (such as alternative work schedules, telecommuting, part-time employment and job sharing).
- Establishing and promoting parent support groups, elder care support groups, and on-site nursing mothers' programs.
- Providing employees with information about child and elder care resources currently available in their communities.
- Working with local interagency groups, like the Federal Executive Boards, to coordinate Federal and community resources.

Q. Will this encourage more managers to support family-friendly workplace arrangements?

A. Yes, managers will have a contact person who can advise them on the various workplace options, calm their fears, explain their responsibilities as well as those of the employees, and, if the arrangement does not work out for either of the two parties, be there to help dissolve it.

Q. What role will the Office of Personnel Management's new Family-Friendly Workplace Advocacy Office play?

A. The new Family-Friendly Workplace Advocacy Office (FFWAO), established on March 1, 1999, will provide the family-friendly program coordinator with the tools and advice necessary to establish or improve comprehensive family-friendly

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programs by aggressively supporting the use of flexible work schedules and sites; leave programs; part-time employment/job sharing; telecommuting; Employee Assistance Programs; on-site child development centers; as well as child and elder care issues. In addition, FFWPO has provided technical information to agencies; convened a national summit on child care issues; has made annual awards to agencies with the most comprehensive and progressive family-friendly initiatives; and has served as the Federal leader in promoting the development of these initiatives.

Also, the FFWAO will work with the agency family-friendly program coordinators to respond to their employees' concerns and suggestions regarding the agency implementation of family-friendly programs. The FFWAO will provide information on the laws and regulations which govern family-friendly policies as well as avenues of redress available for complaints. Working with the agency family-friendly program coordinator, it will assist in resolving problems with family-friendly workplace policies; identify administrative or regulatory obstacles to implementing family-friendly policies and practices; and propose regulatory or legislative changes where needed.

Q. Why should OPM create an Interagency Family-Friendly Workplace Task Force?

A. The creation of a Task Force would establish an infrastructure within the Federal government for disseminating information about family-friendly initiatives and for receiving status reports from the agencies. Family-friendly coordinators can successfully network with each other through membership on the Task Force. Mentoring programs can help agencies learn lessons from the past and efficient ways to implement initiatives.

The current system is a hit-or-miss approach since no one agency has the authority to request feedback information. OPM has a proven track record for disseminating information and developing guidance on family-friendly initiatives.

The Task Force can routinely assess the Federal government's response to the President's directives on family-friendly initiatives and can use the results of such studies to broadly disseminate the Federal initiative to make the government a more family-friendly place to work. The results can also be used by the agencies as benchmarks against which their own practices can be measured.

No offsets - this is the sort of
thing agencies need work
absorb in their salary costs -
4.9% Pym £12000, + we'd

→ 65 mill due to agency
agencies is very small
amt of \$

Lisa Fairhall:

N A how much sick leave much this is a priority
to make the
most employees are 9 days of sick leave from holiday
you will not earn more

expand circumstances under which you can get
leave

hours of paid leave → their cost estimate is

high

bec. we don't know if they will take paid
leave or annual

12 wks sick leave = 480 hours

→ if you look at it as a cost per employee
over their employment - prob no cost

→ N. inc. in pay per shift round
they don't look employee



"Hunker, Mark" <MEHUNKER@opm.gov>

05/20/99 04:40:58 PM

Record Type: Record

To: Ruby Shamir/OPD/EOP

cc:

Subject: FW: additional info for White House

Mark Hunker
Senior Advisor to the Director
Office of Personnel Management
202-606-1000

-----Original Message-----

From: Sandra Payne [SMTP:SSPAYNE@opm.gov] <mailto:[SMTP:SSPAYNE@opm.gov]>

Sent: Thursday, May 20, 1999 4:07 PM

To: MEHUNKER@opm.gov <mailto:MEHUNKER@opm.gov>

Subject: additional info for White House

I've attached a new Q & A to answer the follow up question on whether we have the authority to change the law on adoption leave vs. maternity leave policy.

On the Executive Memorandum language, we think the following changes should be made to the draft sent over today:

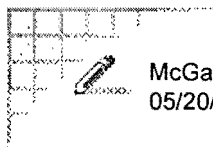
1) The first paragraph was changed to read "spouse, CHILD, or parent" instead of "SON, DAUGHTER." We recommend the Presidential memorandum consistently use the same terminology used in the FMLA- which is "son, daughter." Doesn't seem like much of a change, but it keeps the linkage. And, it looks strange because the second paragraph uses the correct FMLA reference to son, daughter.

2) We would like for the 3rd paragraph to include the specific requirement for each agency head to appoint a family friendly work/life coordinator. This is a much stronger and more supportive action than to ask for committee members. Also, the current version uses the confusing phrase "will report to the OPM", which would not be the case. The paragraph would only have to be slightly changed to meet these objectives. The second and third sentences would be changed to read as follows:

"I am also directing the head of each executive department and agency to appoint a family friendly work/life coordinator to serve as a member of this Working Group. Working group representatives will be responsible for making sure" (then pick up language in your draft)

We also suggest a change in the order of the words in the first sentence, to "...responsible for the development, promotion, and evaluation of....."

Are we going to see the preamble language also? Sandi <<WordPerfect 6.1>>



McGavock D. Reed
05/20/99 06:41:08 PM

Record Type: Record

To: Ruby Shamir/OPD/EOP@EOP

cc:

Subject: Exec. Memorandum Excerpt

Ruby, attached are the questions Lisa Fairhall has concerning the excerpt. Otherwise, it seems fine.
Thank you, Mac

----- Forwarded by McGavock D. Reed/OMB/EOP on 05/20/99 06:39 PM -----



Lisa B. Fairhall

05/20/99 05:36:07 PM

Record Type: Record

To: McGavock D. Reed/OMB/EOP@EOP

cc: Bruce D. Long/OMB/EOP@EOP, Douglas D. McCormick/OMB/EOP@EOP

Subject: Exec. Memorandum Excerpt

In response to the attached, we do have a few questions, primarily with the second paragraph of the excerpt:

Who are the "family friendly coordinators"? The term is not defined.

Are they the working group members, or is each agency being required to establish it's own family friendly office, and staff it with its own family friendly coordinator(s)? What about the very small agencies?

Is each agency expected to evaluate and report on its own family friendly policies?

Or will that be the task of the working group, with regard to all of the programs implemented in the government?

Will this working group represent every single federal agency, including the independent agencies?

Will the working group be a separate body from the IAG?

Or will it be the membership of the IAG, just with another title?

What will the relationship be between these family friendly coordinators, the working group, and OPM's own family friendly workplace advocacy office?

Thanks.

----- Forwarded by Lisa B. Fairhall/OMB/EOP on 05/20/99 05:21 PM -----

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The Boston Globe

May 24, 1999, Monday ,City Edition

SECTION: NATIONAL/FOREIGN; Pg. A1

LENGTH: 944 words

HEADLINE: Clinton vows to let states help parents;
Benefits touted for infant care

BYLINE: By Ann Scales, Globe Staff

BODY:

GRAMBLING, La. - Calling parents too stressed and overworked, President Clinton said yesterday he would order a change in federal regulations that would allow workers to collect unemployment benefits while on leave to care for newborn or newly adopted children.

In a commencement address at Grambling State University, the president said the revisions would give states the enlarged authority to provide the benefits. The change follows inquiries from Massachusetts, Maryland, Washington and Vermont, which, the White House said, have bills pending in their legislatures to allow them to use surpluses in unemployment insurance programs to pay leave benefits to new parents.

Clinton also proposed greatly expanding the government's sick leave policy to allow federal workers up to 12 weeks off with pay to care for seriously ill family members. Neither action, White House aides said, requires the approval of Congress.

Clinton said the federal government needed to find "creative ways to help Americans use benefits they've worked for to finance the time off they need for their families."

He said last month's killing of 14 students and a teacher at Columbine High School in Littleton, Colo., coupled with a recent spate of hate crimes, underscored the importance of making "the bonds that tie parents to children stronger."

Armed with a new study by his Council of Economic Advisers that shows that more parents are working outside the home and have less time for their children, he said, "It all begins with family, with parents who love their children more than life and raise them to live their dreams."

According to the study, the percentage of married mothers in the work force has nearly doubled over the last 30 years, from 38 percent in 1969 to 68 percent in 1996.

Because more mothers are working outside the home and the number of single-parent households has risen, parents now have 22 fewer hours each week, or 14 percent less time, to spend at home than they used to, the study said.

"That means by the time a child reaches the age of 18 in today's world those 22 hours a week amount to over two years more the parents are away from home," Clinton said.

He told the nearly 500 graduates, "We as a nation must find a way to give your generation of parents some of that time back."

Clinton said the Family and Medical Leave Act, the first bill he signed into law as president in 1993, "just meets a fraction of the need." Too many families, he added, "can't take advantage of the law because they can't afford to take the time off because they can't live without their paychecks."

He said, "In our around-the-world, around-the-clock economy, there just don't seem to be enough hours in the day for parents to do everything they need to do."

Clinton challenged the private sector to follow his lead by allowing more paid sick leave to employees caring for a spouse, child or parent with a serious illness like cancer, heart or kidney disease.

He has directed the Federal Office of Personnel Management to revise its regulations to allow employees to use up to 12 weeks of accrued sick leave each year to care for an ill family member. Currently, most federal employees are limited to 13 sick days a year.

"If every company in America that offers sick leave to its workers adopted the same policy we're adopting today, half of all the American work force would have this important benefit for their families," he said.

White House officials estimated that about half a percent of the federal workforce would use the option, costing the federal government about \$60 million annually.

Clinton also directed Labor Secretary Alexis Herman to draw up the new regulations authorizing the expansion of the unemployment insurance system.

But Clinton aides said it would be up to the states to decide whether to use the surpluses most have in their unemployment insurance programs to allow parents paid leave following the birth or adoption of a child.

"This would be strictly voluntary," said White House spokesman Barry Toiv.

Clinton told the graduates at the historically black college, "If you or any American has to choose between being a good parent and successful in your careers, you have paid a terrible price, and so has your country."

He urged school districts to "unlock those empty classrooms in the late afternoon, fill them with the sounds of children playing and learning" and prodded business "to do more by helping their own workers find and afford quality child care."

The commencement speech was the first of three Clinton will deliver this spring. He will address graduates at the Air Force Academy in Colorado on June 2 and the University of Chicago on June 12.

Clinton, who received an honorary Doctor of Laws degree from Grambling, was also offered a post-White House job by university President Steve A. Favors, who enticed the president with offers of Louisiana cuisine, including "gumbo, jambalaya, crawfish . . . collard greens, sweet potato pie and ham."

Favors said, "We'll even allow you unlimited opportunities to play the

saxophone with the world-renowned Grambling State University marching band," which, in a tribute to Clinton, performed the song "Heatwave" during the ceremony.

Said Clinton: "I was getting into this" before Favors said he was just kidding. "I've got a good pension, I can work pretty cheap."

Favors was not the only one thinking about future jobs. As Clinton began his speech, telling graduates that this was an important day in their lives, one student yelled out, "I need a job!"

Clinton replied, "Well, you'll be able to get one now."

GRAPHIC: PHOTO, AP PHOTO/President Clinton received an early-morning salute as he departed Air Force One at Barksdale Air Force Base, La., yesterday.

LANGUAGE: ENGLISH

LOAD-DATE: May 24, 1999

Clinton calls for expanded sick leave

Urges broader use of jobless funds

By Andrew Cain
THE WASHINGTON TIMES

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GRAMBLING, La. — President Clinton, citing the "time crunch" for working families, yesterday directed federal agencies to give employees up to 12 weeks of accrued sick leave each year to care for seriously ill family members.

Mr. Clinton, delivering a commencement speech at Grambling State University, also proposed that states voluntarily let parents draw surplus unemployment insurance funds while they care for a newborn or an adopted child.

"Today's working parents too often feel enormous stress and bring the stress home with them," Mr. Clinton told jubilant graduates at Grambling, a historically black university founded in 1901.

"Most of the parents I know have had problems balancing work and family. And as you move through your careers, unless we act now, this problem will get worse," Mr. Clinton said as a hot sun beat down on Eddie Robinson Stadium, named for the NCAA's all-time winningest football coach.

"Therefore, I believe it is imperative that your country give you the tools to succeed not only in the work place, but also at home," Mr. Clinton said.

Aides said the unemployment-insurance proposal would help states take advantage of the nation's booming economy while joblessness lingers at 4.3 percent, the lowest peacetime rate since the 1950s.

Mr. Clinton's June 12 commencement address at the University of Chicago will be a bookend to yesterday's speech, aides said. In that address, Mr. Clinton will put "a human face" on changes in the international economy.

Mr. Clinton did not mention NATO's 61-day air war on Yugo-

slavia during his address.

But the president stressed in an opinion article in yesterday's New York Times that he would not rule out any options in the Serbian province of Kosovo. Britain is pressuring NATO to be ready to deploy ground troops in a "non-permissive environment."

Mr. Clinton, who pushed to tighten gun laws after the April 20 school massacre in Littleton, Colo., said yesterday that the federal government and the states must do more to strengthen families.

Families spend 22 fewer hours per week with their children than in 1969, Mr. Clinton said, citing a report from his Council of Economic Advisers. The burden falls mainly on employed women, and is compounded by the dramatic rise in single-parent families since 1969, he said.

In 1969, 38 percent of married mothers worked outside the home, according to the report by Mr. Clinton's economic advisers. In 1998, 68 percent did.

Most federal workers now can take up to 13 days of sick leave each year to care for an ill family member, Mr. Clinton said. He directed the Office of Personnel Management to draw up regulations under which federal em-

ployees could use up to 12 weeks of accrued sick leave each year to care for a spouse, son, daughter or a parent with a "serious health condition."

The federal initiative would cost about \$60 million annually, a spokesman for Mr. Clinton said.

Maryland, Vermont, Massachusetts and Washington state have introduced legislation under which their states could pay for a parent's leave with unemployment insurance funds. Mr. Clinton directed Labor Secretary Alexis M. Herman to draw up regulations and model legislation that would make it easier for states to take such an approach.

The Washington Times

MONDAY, MAY 24, 1999

Clinton Pushes Family Help Plan

By SONYA ROSS Associated Press Writer

GRAMBLING, La. (AP) -- Seeking a balance between Americans' work and home life, President Clinton said Sunday states could tap unemployment surplus funds for paid leave for new parents and federal workers could use sick days to care for an ailing family member.

"We as a nation must find a way to give your generation of parents some of that time back," Clinton told 477 graduates of Grambling State University.

"For all of this of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do. We must think bigger and do better."

The president said the "round-the-world, round-the-clock economy" was putting more demands than ever on working parents, and a new study by the Council of Economic Advisers showed families today are spending an average of 22 fewer hours per week together than families did 30 years ago.

Clinton directed the Labor Department to develop rules so states could use surplus unemployment funds -- which are administered by the states -- to pay for leave for parents of newborns and adopted children.

The move comes in response to requests from Maryland, Massachusetts, Vermont and Washington. The majority of states now have surplus unemployment funds, said White House spokesman Barry Toiv. The proposal was expected to cost about \$60 million, spread over various federal agencies.

Federal workers also drew the president's attention.

He said that while the 1993 federal family leave law has helped ease the strain on workers who must care for a sick parent, spouse or child, it did not provide relief for those unable to take time off without pay.

"We ought to set a goal that all working Americans can take time when they need it to care for their families, without losing

the income they need to support their families," he said.

As a start, Clinton directed the Office of Personnel Management to allow federal employees to use up to 12 weeks of accrued sick leave annually to care for a seriously ill family member.

Most federal employees now can take only 13 days of sick leave each year for such a need.

"If every company in America that offers sick leave to its workers adopted the same policy we're adopting today, half of all the American work force would have this important benefit," Clinton said.

The family leave law says all employers with 50 or more workers must allow up to 12 unpaid weeks off to care for a new baby or seriously ill family member. The law also allows workers to use sick time and vacation so they can get paid during their leave.

Clinton told the graduates they were successful mainly because of their parents' sacrifices. He singled out the parents of two graduates as other parents and families in the stands clustered under umbrellas and fanned themselves with programs in the heat.

Clinton cited his own childhood days beside his grandfather, who ran a small community store. He also recalled giving that same exposure to his daughter Chelsea: watching her draw pictures at a little desk across from his in the Arkansas governor's mansion, and set aside time in the evenings so he could eat with her and his wife Hillary.

"I've been thinking a lot about family lately, and I expect a lot of you have," Clinton said.

Weighing on his mind have been the school shootings in Littleton, Colo. and Conyers, Ga., the hate crimes that killed James Byrd Jr. in Texas and Matthew Shepard in Wyoming, and ethnic cleansing in Bosnia, Rwanda and Kosovo.

Those events, Clinton said, "force us to confront the need to raise our children to respect others who are different from themselves. ... It all begins with family, with parents who love their children more than life and raise them to live their dreams."

The speech was the first of three commencement addresses Clinton plans this year on the impact of the nation's booming economy. He also is scheduled to address graduates of the Air Force Academy on June 2 and the University of Chicago on June 12.

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Clinton Proposes Plan to Compensate Parents for Time Off for Child Care

By JEANNE CUMMINGS
Staff Reporter of THE WALL STREET JOURNAL

GRAMBLING, La.—Parents who take time off to care for a newborn or newly adopted child may receive some government compensation under a new initiative unveiled by President Clinton.

In a commencement address at Grambling State University, Mr. Clinton also announced that the federal government will begin allowing its workers to use as many as 12 weeks of their own accrued sick leave to help family members with serious health problems; currently, employees can use 13 days. The initiative is expected to cost the government about \$60 million, according to an Office of Personnel Management estimate, and the administration hopes it will prompt private industry to follow the government's lead.

"It is imperative your country give you the tools to succeed not only in the workplace, but also at home," the president told the graduates and tens of thousands of spectators. If parents are forced to choose between family and work, "you have paid a terrible price and so has your country."

Mr. Clinton's address is the first of two commencement addresses that will focus on the economy's impact on people. The Grambling address focused on the struggle of balancing work and family. Next month,

the president will deliver an address at the University of Chicago that will focus on the impact expanding global trade has on labor conditions, the environment and other quality-of-life issues.

The initiatives involving family and work were prompted in part by a new Council of Economic Advisers report that found that the average time parents and children spend together has decreased by 22 hours a week in the past 30 years. The drop in family time was attributed to the increase in households with two working parents and the rise in single-parent households.

The proposal providing compensation for workers who take time off to care for new babies would be implemented through unemployment-compensation regulations and would dovetail with the Family and Medical Leave Act. Under that act, parents can take time off without pay to care for new babies. The new proposal would allow states to use surplus unemployment insurance to provide some compensation to them. The regulation change wouldn't require approval of Congress.

An administration official said the proposal was prompted by requests from four states—Maryland, Massachusetts, Washington and Vermont—all of which are now considering legislation that would allow for the payments.

Democratic Fund-Raiser Pleads Guilty in Probe

By DAVID S. CLOUD
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—Yah Lin "Charlie" Trie, a longtime friend of President Clinton, pleaded guilty to arranging improper donations to the Democratic National Committee, and said he would cooperate in the ongoing federal investigation of campaign-finance abuses in the 1996 election.

The plea agreement comes more than two years after he first came under scrutiny in the federal investigation into improper fund raising by the Clinton-Gore campaign. It will allow federal prosecutors to finally interview Mr. Trie about the sources of the more than \$600,000 he contributed to the DNC and to Mr. Clinton's legal-defense fund.

Under the deal, Mr. Trie, who met Mr. Clinton when he owned a restaurant in Little Rock, Ark., will receive three years pro-

bation if federal prosecutors are satisfied that he has told them all he knows about the sources of the donated funds—much of it from Asian sources—contributed in his name. Much of the money was later returned. But federal prosecutors are dubious that, even with Mr. Trie's cooperation, they will be able to charge Asian donors who gave the money.

The plea agreement came on the final day of Mr. Trie's trial in Little Rock on charges that he attempted to obstruct a Senate investigation into the campaign-finance scandal. The Justice Department agreed to drop those counts in return for Mr. Trie pleading guilty to causing false statements to be made to the Federal Election Commission, a felony, and to making political contributions through straw donors, a misdemeanor. He was under indictment for those charges in Washington and awaiting trial.

Betting Time: Wall Street Chiefs Pick Favorites for Presidency

By RANDALL SMITH
Staff Reporter of THE WALL STREET JOURNAL

Wall Street has the futures market for presidential candidates cornered.

Despite its conservative reputation, Wall Street rarely lines up unanimously behind the most conservative candidate. But it does always try to make its presence felt, and it is doing so now.

In the 2000 presidential race, Al Gore and George W. Bush are early front-runners — Democrat and Republican, respectively — among the general populace. But if recent history is any guide, keep an eye on Bill Bradley on the Democrat side, and John McCain on the Republican.

The reason: Messrs. Bradley and McCain each enjoy the early support of different top executives of Goldman Sachs Group Inc., the same Wall Street securities firm whose support for Bill Clinton in 1992 paved the way for its former co-head, Robert Rubin, to become head of the National Economic Council and then Treasury secretary in 1995.

Mr. Rubin, who announced plans to resign last week, showed how a Wall Street veteran could thrive in the Treasury job after his predecessors Donald Regan (from Merrill Lynch & Co.) and Nicholas Brady (from Dillon, Read & Co.) had rockier experiences in the Reagan-Bush years between 1980 and 1992.

Now, with the election still 18 months away, Wall Streeters are lining up to work for the major candidates. And Mr. Rubin's stellar record has made Washington jobs more desirable for them. "He's established a new mold," says Roy Smith, a former

Goldman partner and currently a finance professor at New York University.

To be sure, inside-the-Beltway betting is that if Mr. Gore wins, he might appoint James Johnson, former chief executive of Fannie Mae, to the Treasury post. Or he might reappoint Mr. Rubin's former deputy, Lawrence Summers, who just got the job this month. But even if they don't want to be Treasury secretary, cultivating access to power in Washington can be useful for top investment bankers.

"So much of the financial world intersects and interacts with the government sector—whether in legislation, taxes, or contacts — having access to decision makers is an asset, and it's one you have to cultivate," says Samuel Hayes, professor emeritus at the Harvard Business School. He adds: "It's no secret why so many of the financial mavens of the political campaigns come from Wall Street. That's where the money is."

Some securities firms, such as Goldman, historically have had a relatively liberal political bent.

Indeed, it is the Democratic challenger Mr. Bradley who now could well have the most high-profile Wall Street support. He has been actively tapping ties to that area he forged as a former U.S. senator from New Jersey who played basketball with the New York Knicks and at Princeton University.

Among Wall Street luminaries who have hosted or plan to host Bradley fund-raisers are Douglas A. Warner, chairman of J.P. Morgan & Co.; Richard Fuld, chairman and chief executive of Lehman

Brothers Holdings Inc.; and John "Launny" Steffens, a Princeton, N.J., resident who leads the brokerage operations at Merrill. Another key Bradley fundraiser has been investment banker Louis B. Susman of Citigroup Inc.'s Salomon Smith Barney unit.

After he left the Senate in 1997, Mr. Bradley worked as an adviser to J.P. Morgan and vice chairman of its International Council, earning more than \$300,000 since Jan. 1, 1998. Other top-drawer Brad-

ley backers include Thomas Labrecque, president and chief operating officer of Chase Manhattan Corp., Herbert A. Allen of Allen & Co., and John L. Thornton, president and co-chief operating officer at Goldman.

At Goldman, Henry M. Paulson Jr., chairman and chief executive officer, and John A. Thain, president and co-chief operating officer, are both backing Mr. McCain, the Arizona senator who is chal-

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lenging Republican front-runner George W. Bush, the Texas governor.

Mr. Thain is serving on Mr. McCain's finance committee. Mr. Paulson, an avid bird-watcher and conservationist, got to know the senator during a bid to reintroduce condors and peregrine falcons into Arizona.

Vice President Gore, the Democratic front-runner who enjoys the fund-raising advantage of incumbency, has a wide range of Wall Street supporters. The most prominent: Steven Rattner, deputy chief executive of Lazard Freres & Co., who hosted a fund-raising dinner for Mr. Gore in March in his Manhattan apartment on Fifth Avenue. Many of the 40 guests, including investing pros Alan Patricof and Orin Kramer, had agreed to raise \$35,000 each for the campaign.

Mr. Gore also has the support of two Wall Streeters ousted from power within a few months of each other: former Citigroup President Jamie Dimon, and former Goldman Co-Chief Executive Jon Corzine, who is himself considering a political career as a possible candidate for a vacant New Jersey Senate seat.

Mr. Gore has an advantage in attracting Wall Street talent over the Republican front-runner, Mr. Bush. Many top executives of Wall Street firms with municipal-bond departments interpret the stricter "pay-to-play" rules as barring them from contributing more than \$250 to a sitting governor who can influence muni-underwriting assignments.

Still, Mr. Bush's camp includes New York financier Roland W. Betts, a fellow Yale alumnus, as well as John Hennessy, former chairman of Credit Suisse First Boston, which left the muni business in 1995.

The Wall Street ranks are thinner elsewhere. Hedge-fund impresario Julian Robertson is aiding his longtime friend Elizabeth Dole, a Republican contender; they share the same hometown of Salisbury, N.C. Among her other supporters is Wayne Angell, a former Federal Reserve governor who is chief economist at Bear Stearns Cos.

Mr. McCain, the beneficiary of the high-level Goldman support, also has backing from Maurice "Hank" Greenberg, chairman of American International Group Inc., who was chairman of a McCain fund-raiser in March, as well as David Pottruck, president of Charles Schwab Corp.

Because current campaign-finance rules limit individual contributions to \$1,000, many Wall Streeters who could write one big check wind up rounding up dozens from others. That is what Richard Fisher, chairman emeritus of Morgan Stanley Dean Witter & Co., did when he took two tables at an April fund-raiser for Mr. Bradley and raised more than \$30,000.

"This is purely a citizenship thing," Mr. Fisher said. "I've known Bill Bradley since he was an undergraduate at Princeton. He was a classmate of my younger brother's. I've followed his career closely, and I believe he'd be an outstanding president."

But recipients of campaign fund-raising services don't always reciprocate with favorable treatment. At Bear Stearns, for instance, Chairman Alan "Ace" Greenberg played a leading role in raising money in 1996 for candidate Steve Forbes, whose family owns Forbes magazine.

The following year, the magazine published a critical account of the role of Mr. Greenberg's firm in providing trade-processing services for clients accused of defrauding investors. The article helped trigger regulatory investigations of Bear Stearns that now are pending.

THE WALL STREET JOURNAL

MONDAY, MAY 24, 1999

Clinton Proposes Using Surpluses To Extend Family Leave Benefits

By JOHN M. BRODER

GRAMBLING, La., May 23 — Seeking to expand one of his most popular programs, President Clinton said today that he would direct the Labor Department to explore ways to allow states to use surplus unemployment insurance funds to subsidize parents who take time off to care for a new child.

The President announced the proposed expansion of the Family and Medical Leave law in a commencement address at Grambling State University, a historically black school in north-central Louisiana. Mr. Clinton used the speech to discuss the growing strains faced by working parents and to offer a few nuggets of relief.

"Today's working parents too often feel enormous stress and bring that stress home with them," the President said this morning under a roasting sun in Grambling's football stadium, as thousands fanned themselves with commencement programs. "Unless we act now, this problem will get worse."

The President said states should be permitted to broaden the definition of unemployment to include those parents who voluntarily took time off to care for newborns or newly adopted children. Many new parents do not take advantage of the unpaid leave offered under the Family and Medical Leave Act of 1993 because they cannot afford to live without their wages even for a few weeks after a child is born.

More than half the states are running surpluses in their unemployment accounts, and several are looking at ways to return the payments to

employers who finance the systems or to pay for new benefits. Four states — Maryland, Massachusetts, Vermont and Washington — have asked the Federal Government to approve the use of the surpluses to expand benefits to new parents who want to take time off work.

Surpluses in states' funds for the jobless and in their medical accounts for children and the indigent are overflowing because of low unemployment and reductions in welfare and health care benefits, sparking a classic liberal-conservative political debate. The President and Democratic lawmakers believe the money should be devoted to expanded benefits. Business groups and many Republican lawmakers say the money should be returned to employers and taxpayers.

The President today also proposed allowing Federal employees to use their accumulated sick leave to care for seriously ill family members, a modest expansion of benefits that would cost the Government about \$60 million a year, a White House aide said. The plan would affect 10,000 Federal workers, the aide said.

Mr. Clinton cited a new study by the White House Council of Economic Advisers. "They found that because more and more parents are working outside the home, they have less and less time with their children," he told the Grambling graduates. "I believe it is imperative that your country give you the tools to succeed not only in the workplace but also at home. If you or any American has to choose between being a good parent and successful in your careers, you have paid a terrible price, and so has your country."

The New York Times

MONDAY, MAY 24, 1999

Kremlinology 101: The More Things Change . . .

A By CELESTINE BOHLEN

MOSCOW, May 23 — Having fired a Government, squelched an impeachment drive and installed a colorless but loyal police commander as Prime Minister and potential successor, President Boris N. Yeltsin headed south on Friday for what his aides described as a well-deserved vacation.

As for ordinary Russians, they were left — once again — out in the cold and in the dark. If the extraordinary events of the last 11 days proved anything, it was that Russia's fledgling democracy is as secretive and arcane as the Communist regime it replaced seven years ago.

"The opinion of the silent majority — that is, at least 77 percent of the population, which does not want to see upheavals — is ignored," said Vyacheslav Nikonov, head of the Politika Foundation, a political research group. "The authorities and public opinion have in the past week been acting totally at cross purposes."

In the name of stopping a purported Communist comeback led by the former Prime Minister, Yevgeny M. Primakov, the Kremlin has reverted to form. Now it is back to the days of "cadres" (an old Soviet term for

personnel) and clans, of backroom deals and hidden agendas, of rumors and oblique hints.

Russian politics have never been free of intrigue, but the eight-month tenure of Mr. Primakov, whose coalition Cabinet included Communist ministers and was backed by Mr. Yeltsin's Communist opposition, did mark the first attempt by the Yeltsin administration to rule not by confrontation, but by consensus.

It didn't last. "The consensus model of government suited an overwhelming majority of the population, and an overwhelming majority of the

elite," said Mr. Nikonov. "But it sidelined the President's administration and reduced its ability to play the decisive role in deciding who would be Yeltsin's successor."

In the Kremlin's view, Mr. Primakov's coalition had overshot its role as a guarantor of stability and was rapidly becoming a launching pad for the Communist party's long-term ambitions — first as a source of financial support for parliamentary elections in December and for Mr. Primakov's expected presidential candidacy in June 2000.

In the weeks leading up to the dismissal of Mr. Primakov, Mr. Yeltsin's advisers took pains to depict the power struggle in bleak terms of good and evil. One top Kremlin official described the Prime Minister as "strategically dangerous," a man who demonstrated some characteristics of Stalin.

Now, with Mr. Primakov out of power, some Kremlin advisers are talking about grooming his successor, Sergei V. Stepashin, a 47-year-old veteran of the security services, as Mr. Yeltsin's latest heir, an alternative not only to the Communists but also to Mayor Yuri M. Luzhkov of Moscow, a leading presidential aspirant. A month ago Mr. Luzhkov was in good favor with Mr. Yeltsin. Now, after failing a number of loyalty tests, he is feeling a cold wind from the Kremlin.

Mr. Stepashin's success hinges on his ability to survive until the eve of the presidential elections. In that time he must negotiate the passage of tough fiscal legislation to avoid defaults on foreign loans, and navigate the parliamentary elections.

Above all, he must survive the whims of an emotional and jealous President who could at any moment overturn the best of strategies. Among the wild cards said to be under consideration is a referendum to unite Russia with Belarus, its western Slavic neighbor. Such a union would throw Russia's political calendar wide open because it would create a new entity in need of a new — or old — President.

"If Stepashin manages to stay and be the last premier before the elections," said Aleksandr N. Shokhin, a former minister and centrist deputy in the lower house, "he has a very good chance to become a presidential candidate, supported not only by the Kremlin — which is important, but not that important — and the regional elite, which is more important, and key political forces. So far he has a chance, provided he is not fired in September."

Mr. Stepashin's credentials for his new role are still obscure. His record as head of the domestic intelligence service was blotted by a disastrous performance in the early days of the conflict with the breakaway Chechnya republic. His views on economics are pretty much a blank. But his loyalty to Mr. Yeltsin is absolute.

As one recent poll indicated, many Russians are ready for a law-and-order candidate, and Mr. Stepashin holds the rank of colonel general in the interior forces. Others look to Mr.

Intrigue, rumors: Democracy in Russia looks just like the old regime.

Stepashin, son of a naval officer from St. Petersburg, as an example of a new generation of more mild-mannered, urbane politicians.

"Why are we voting for Sergei Stepashin?" asked Vladimir Zhironovsky, Russia's most virulently anti-Communist nationalist, during the debate that ended last Wednesday with Mr. Stepashin's overwhelming confirmation on the first vote. "Simply because we are sick and tired of people from the sticks. For the first time in the past 100 years, someone from St. Petersburg will head the Government."

As Mr. Stepashin learns the ropes, who is running the country? The most obvious answer is Mr. Yeltsin himself. After a winter of hibernation, the 68-year-old President roared back to center stage in the spring, despite an apparent — but officially unconfirmed — physical relapse. In recent appearances his step has been unsteady, his speech labored, his comments confused.

Behind him stands a tiny group of Kremlin insiders who include top members of his administration and his daughter Tatyana Dyachenko. This group, known simply as the Family, has become the conduit for a remarkable comeback by two of Russia's most politically unpopular figures: Anatoly Chubais, a liberal

reformer and former privatization czar, and (if press reports are to be believed) Boris A. Berezovsky, a multibillionaire financier with irrepressible political ambitions.

Mr. Chubais has all but openly admitted his role in the decision to fire Mr. Primakov and replace him with Mr. Stepashin. Interviewed by Newsweek magazine, Mr. Chubais, who is now head of the national electric utility, called the appointment of Mr. Stepashin "a strategic and reasonable step by Mr. Yeltsin."

But Kremlin strategies are not always smoothly executed, as became embarrassingly apparent on May 12, the day Mr. Primakov's dismissal was announced.

First, Gennadi Seleznyov, the Communist speaker of the lower house, told deputies he had had a call from the President informing him that the next Prime Minister would Nikolai Aksyonenko, a little-known Railways Minister (who has since been promoted to become Mr. Stepashin's First Deputy Prime Minister).

An hour later Mr. Seleznyov again interrupted the proceedings with the news that a letter from the Kremlin had arrived nominating Mr. Stepashin as Prime Minister. Mr. Seleznyov smiled and shrugged. "I came to work today with clean ears, and my telephone is working," he said, as the deputies roared with laughter. "The President told me Aksyonenko, which is what I told you."

Many Russians are convinced that the President's confusion was not accidental. As the haggling over Mr. Stepashin's Cabinet appointments moves into full swing, the newspapers have been full of reports of a struggle between Mr. Chubais and Mr. Berezovsky, who reportedly backed the Aksyonenko nomination.

How much real influence is wielded by Mr. Berezovsky is difficult to gauge because his Kremlin access reportedly goes directly through Mrs. Dyachenko, the younger of the President's two daughters and his political counselor since 1996. Valentin Yumashev and Aleksandr Voloshin, respectively the Kremlin's former and current chief of staff, also have ties to Mr. Berezovsky.

A master of intrigue who is said to have taken care of the Yeltsin family finances, Mr. Berezovsky is also a master of illusion, and of the well-planted leak intended to suggest — without proof — that his political comeback is complete.

Mr. Berezovsky is the most notorious of the oligarchs who made fortunes in the early days of Russia's chaotic privatization. As long as Mr. Primakov was in power, Mr. Berezovsky was on the defensive, the target of well-publicized corruption inquiries that threatened to creep into the Kremlin itself.

When Mr. Primakov was fired, Mr. Berezovsky, who was in France, leaped back into the limelight with a statement that portrayed the decision as a triumph of good over evil.

"Primakov's dismissal is not just a replacement of one person as Prime Minister by another," Mr. Berezovsky said in an interview with the Interfax news agency, it is "an abortion of an attempt for a Communist and K.G.B. revenge in Russia."

As for Mr. Stepashin, the financier's praise was lukewarm. "Stepashin doubtless shares the President's ideology and will doubtless follow the course of reforms," he said.

Clinton seeks benefit for new parents taking unpaid leave

By Mimi Hall
USA TODAY

GRAMBLING, La. — President Clinton proposed Sunday that states be allowed to use unemployment insurance to pay workers who need to take time off to care for a newborn or adopted child.

Clinton told graduating students at Grambling State University that, according to new statistics, parents today spend 22 fewer hours per week with their children than they did a generation ago.

"We as a nation must find a way to give your generation of parents some of that time back," the president said.

Delivering the first of three commencement addresses he's scheduled to give this spring, Clinton told nearly 500 graduates of the historically black university that he is directing the Labor Department to propose new regulations and model state legislation to authorize expansion of the unemployment insurance program.



By Mark Wilson, Reuters

Clinton: Receives an honorary law degree Sunday from Grambling's Eddie Robinson, left, and Neri Warner

White House aides said four states — Maryland, Massachusetts, Vermont and Washington — already have asked for federal permission to use surplus un-

employment money for people taking time off for child care.

"If you or any American has to choose between being good parents and successful in your careers, you have paid a terrible price, and so has your country," Clinton said.

Clinton also directed the federal Office of Personnel Management to allow federal employees to use up to 12 weeks of accrued sick leave to care for a sick spouse, child or parent. Current rules allow federal employees to take up to 13 days per year to care for a sick relative.

Under the Family and Medical Leave Act, employees are allowed to take up to 12 weeks of unpaid time. Clinton's plan would allow federal employees to take paid leave, and the White House hopes the program will set an example for private employers.

Aides said they expect that about 10,000 of the 2 million civilian federal workers would take the full 12 weeks in any given year, at a cost of about \$60 million to the government.

New Hampshire town in no hurry to make picks for 2000

Candidates coming, but folks are busy with other matters

By Richard Benedetto
USA TODAY

PETERBOROUGH, N.H. — People in this picturesque New England village of 5,200, the inspiration for Thornton Wilder's play *Our Town*, are a chatty bunch.

As the character of the stage manager remarks to the *Our Town* audience, "Seems like they spend most of the time talkin' about who's rich and who's poor."

True enough for real residents here as well, as they go about their daily lives. With a presidential election coming up next year and the Granite State hosting the first-in-the-nation primary nine months ahead of it, talk of money often turns to taxes and taxes to politics.

For the most part, voters who will be making some key choices next February say the contest to succeed President Clinton is largely a wide-open race with no clear favorites. Despite widespread media pronouncements that the election will come down to a match-up between Democratic Vice President Gore and Republican Texas Gov. George W. Bush, many want to hear and see more from the candidates before committing themselves.

"Folks here seem to want to know all the facts," the *Our Town* stage manager observes.

Indeed, in more than a dozen interviews with native Yankees and former urban dwellers who migrated here to retire or seek a more relaxed lifestyle, it appears that both front-runners have a lot to prove.

"I don't see much enthusiasm yet, either way," says Amy Hordon, 26, a clerk at Maggie's Marketplace, a housewares and health food shop on Main Street.

Good economy a factor

Any such enthusiasm seems to have been tempered by a good economy, which helps quell the desire for radical change.

Locals haven't had much time to focus on the presidential candidates. A state school-funding crisis and its effects on various taxes dominated the news for the past two months. But with presidential hopefuls already

campaigning here, the presidential election is slowly working its way into New Hampshire's awareness.

At Bob Borsari's shoe store on Grove Street, the buzz is that Gore's biggest problem is image: too stiff, too formal and too lacking in charisma. Little is said about the vice president's policies, which most assume are the same as Clinton's.

"Gore probably will get some credit for the good economy, if it stays good," says Steve Weber, 32, a cook at Nonie's Bakery and Luncheonette.

But while the economy perks along, the conflict in Kosovo worries people here. Some wonder whether Gore's chances will be hurt if the outcome fails to meet the Clinton administration's goals. People here question whether the United States should be involved at all, but at the same time they don't want to just walk away from the suffering of refugees.

"I just don't know what's right," says Judith Vance, 62, an art dealer.

Gore's lone Democratic challenger, former New Jersey senator Bill Bradley, has friends here, especially among New York-area transplants who fondly remember his days as a basketball star for the Knicks.

Some Democrats who say they'll vote for Bradley doubt whether he can wrest the nomination from a sitting vice president. But they also wonder whether Gore will emerge from the primaries strong enough to win in the general election. They like the idea of a Gore-Bradley ticket.

"Gore is really a good man, but he's just not scintillating. It's too bad that he has to be judged that way," says Vance, a Democrat.

Waiting for Bush

On the Republican side, most everyone appears to be waiting for Bush to make his first campaign appearance in the state, still three weeks away, before offering substantive judgments of his abilities and chances. Bush pledged to stay in

Texas until his state Legislature starts its session.

So while his GOP rivals have already been crisscrossing New Hampshire, Bush remains nearly invisible. Nonetheless, polls here still favor him to be the party's front-runner. But with people looking forward to his arrival and expecting to be dazzled, a less-than-spectacular performance could deal him a setback.

"We hear lot of good things about Bush, but we're just going to have to wait and see how good he really is," says John Burke, 52, who runs a

sports card shop on Main Street and works at Roy's Market nearby. "His father was a little wishy-washy on domestic issues, and probably lost because of it. But his son doesn't seem that way."

Burke, a Republican, says that after a string of Clinton scandals he's looking for a new president who will "restore dignity" to the White House. But "Clinton would win a third term if he could run, scandals and all," Burke says. "The economy is good, and people care first about their pocketbooks."

Besides Bush, other Republican candidates don't seem to have made much impact here yet. Former American Red Cross president Elizabeth Dole created a bit of a stir with her tougher stand in favor of gun control, not exactly a winner in a state with the motto "Live Free or Die." But the simple fact that she is a woman has generated interest and publicity, which can't hurt. And the Littleton, Colo., shootings have even some gun-control opponents pausing to reconsider.

"I don't know much about what she stands for, but it's nice to see a woman running for president," Hordon says.

Rest of the field

Few say they know much about the rest of the GOP candidates except commentator Pat Buchanan, who ran here in 1992 and won the primary in 1996.

Burke notes that this year Buchanan "doesn't seem to be running as hard here."

Democrat Vance says she likes Arizona Sen. John McCain's willingness to buck his party by taking tough stands against tobacco, in favor of campaign finance reform and for all-out victory in Kosovo. "I admire him, but he's so self-righteous that I want to pinch him," she says.

Publisher Steve Forbes, who ran in 1996, is remembered here mostly for his flat-tax proposals. Former vice president Dan Quayle has some friends but, like Gore, has an image problem. And a lot of people like their conservative senior U.S. senator, Bob Smith, who also is running. But few believe he can win.

"It's a waste of time," real estate agent Ed Codman, 35, says of Smith's bid.

Codman, who says house sales here are booming, notes that the first consideration of his customers after they know the price of a house is taxes. So when candidates start talking taxes, he adds, his customers will listen with interest.

But for now, he says, people in Peterborough are looking ahead to summer, the opening of a new arts center in town and an influx of tourists for the fall foliage season. Maybe after that they'll really start focusing on the presidential race.

"People will probably make up their minds at the last minute," he says. "But the way I see it, it's going to be a fight to the finish."

Clinton Expands Family Leave Act for Federal Workers

By CHARLES BABINGTON
Washington Post Staff Writer

GRAMBLING, La., May 23—Federal workers will be allowed to use up to 12 weeks of accrued sick leave annually to care for a seriously ill family member, and many other employees may be able to draw unemployment benefits while caring for a baby, under orders issued today by President Clinton.

The president used his commencement address at Grambling State University to announce his latest efforts to help working parents, a favorite White House theme and one that pollsters say is popular with many voters. The new measures are essentially extensions of the Family and Medical Leave Act, the first bill that Clinton signed into law and a signature achievement of his administration.

The president, who received an honorary degree at this historically black university, released a White



BY CHRIS STANFIELD—ASSOCIATED PRESS

The president was given an honorary degree at Grambling State University.

House report that says many parents find it increasingly difficult to maintain their jobs and spend time with their children. The report, compiled by the Council of Economic Advisers, says that since 1969, American parents, on average, have 22 fewer hours per week to spend at home.

A major reason, the report says, is "a dramatic shift of mothers' time from the household to the labor market."

"In our around-the-world, around-the-clock economy," Clinton said in his 24-minute speech, "there just don't seem to be enough hours in the day for parents to do everything they

need to do. . . . For all of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do. We must think bigger and do better."

Currently, federal workers can use up to 13 days of accrued sick leave per year to care for a seriously ill child, parent or spouse. Clinton's directive will expand the limit to 12 weeks a year, a benefit that could help those with a fairly long history of working without taking sick days. White House officials predicted that only one-half of 1 percent of federal employees will take full advantage of the new benefit, costing the government about \$60 million a year.

Clinton urged private employers to follow his lead. "If every company . . . that offers sick leave to its workers adopted the same policy we're adopting today," he said, "half of all the American work force would have this important benefit."

The president also instructed the Labor Department to draft regula-

tions allowing states to expand the use of unemployment insurance benefits, which states maintain but federal guidelines control. The proposed changes would permit parents of newborns or newly adopted children to stay home while drawing unemployment benefits, as if they had been temporarily laid off.

Under the Family and Medical Leave Act, such parents are guaranteed unpaid leave that protects their job. Clinton said many parents cannot afford it, however, because they cannot go without a paycheck even temporarily.

Four states—Maryland, Massachusetts, Vermont and Washington—have sought federal direction in making such benefits possible. Many states have hefty surpluses in their unemployment insurance funds and therefore can expand benefits, said White House spokesman Barry Ivie.

Clinton tied major domestic and international issues to the quality of family life. Recent school shootings,

he said, underscore the need to "make the bonds that tie parents to children stronger. . . . The horrible ethnic cleansing of this decade in Bosnia, then Rwanda, now Kosovo, demonstrate in stark terms what can happen when a people raise their children without the fundamental premise embodied in our Declaration of Independence: that we are all created equal."

Joining Clinton on stage was Grambling's legendary former football coach Eddie Robinson, who helped the president adjust his hood when he received the honorary doctor of laws degree. Behind Robinson was Doug Williams, the university's current football coach and former star quarterback for the Washington Redskins.

Today's commencement address was the first of three that Clinton will deliver this year. He will address Air Force Academy graduates June 2, and he will speak on the international economy at the University of Chicago on June 12.

Media Notes

Taking It From the Top

N.Y. Timesman Richard Berke, Tied In to Some (Very) Highly Placed Sources

By HOWARD KURTZ
Washington Post Staff Writer

When President Clinton picked up the phone and called Richard Berke for some last-minute spinning on a campaign story, he did more than guarantee a major headline for the New York Times reporter. He certified Berke's growing stature as a big kahuna in

political journalism.

In a 10-day stretch, Berke broke the news that former congressman Tony Coelho was taking the helm of Vice President Gore's campaign; had Clinton acknowledge that he was concerned about Gore's stumbling start; and got an interview with Bob Dole, who annoyed his wife, Elizabeth, by saying he might contribute to rival John McCain.

Who is Rick Berke, and why do politicians tell him these things?

"I wish it were my charming personality," Berke says. "It certainly helps to have the platform of the New York Times."

Many political reporters these days are analysts who dissect the broader trends of

politics and demography and compete for "conceptual scoops." Berke is more of a shoe-leather guy who logs thousands of frequent-flier miles.

"Rick's greatest strength by far is that he's very good at ferreting out specific campaign news," says Ron Brownstein, political reporter for the Los Angeles Times. "He's an old-fashioned, hard-nosed reporter in a beat that doesn't always operate that way."

Fred Barnes, executive editor of the Weekly Standard, says Berke "has really matured as a great political writer. He's taken the big leap to the top tier."

A 13-year veteran who joined the Times from the now-defunct Baltimore Evening Sun, Berke, 40, is a local boy made good. Amazingly enough, he got international publicity in 1976 as a senior at Bethesda's Walt Whitman High School.

Berke and a classmate reported that former president Richard Nixon had been exposed to high levels of radiation at the U.S. ambassador's residence in Moscow in 1959—according to "a highly placed government official who requested anonymity." The 17-year-old was pictured in an admiring Washington Post piece. (When a Timesman stumbled on the same revelation years later, Berke said dismissively: "I wrote that in my high school paper.")

His current post, chief national political correspondent, has been held by such Times luminaries as R.W. "Johnny" Apple, Howell Raines and E.J. Dionne. While the job is usually awarded as a four-year rotation, Berke briefly considered leaving the paper when management floated sending him to the Chicago bureau after the 1996 election. Now Berke is in his second term.

The 15-minute interview with Clinton on May 13 came about on a dare. When Berke told the White House he was writing a story that Clinton had expressed misgivings about Gore's campaign, Clinton aide Doug Sosnik said the president would be concerned. "If he's so upset, have him call me," Berke replied. At 7:40 that evening, while Berke was on the phone with a copy editor, the president called on the other line.

"I was flabbergasted," Berke says. "When the phone rang, I was totally unprepared. In one sense, it led me to tone down the story. It had all the spin from the president, yet it didn't change the basic story." Gore was said to be steamed over the boss publicly advising him on how to connect with voters.

This wasn't the first time Berke has used that gambit. On the eve of the '96 Democratic convention, he told then-Clinton aide George Stephanopoulos: "I need some news. Make something happen." The

president called, and Berke had his lead.

Berke also stirred controversy in February when he quoted Karl Rove, the top strategist for George W. Bush, as saying the Texas governor would form a presidential exploratory committee. The Texas press was miffed that the Bush camp had spilled the beans to a Yankee.

"You build up relationships with people and they trust you. I hope they think that I'm going to be fair with them," says Berke, who was on "Good Morning America" last week touting his Clinton and Dole interviews.

Dole, worried that his candor could land him in the marital doghouse, jokingly told Berke: "Write a good story or I'll be dead." Berke, for the record, made a similar request about this piece.

Paying the Price

Principled news organizations, of course, don't pay their sources. So what was Time doing doling out \$5,000 to Julie Hiatt Steele?

Turns out the magazine paid Steele last year for a photograph of her former friend Kathleen Willey with President Clinton. The payment, unearthed by Slate magazine, came as Time was frequently interviewing Steele about her role in Willey's disputed tale of presidential groping.

"We regularly pay for pictures," says Managing Editor Walter Isaacson. "As long as you're not paying an amount that makes it seem like you're buying the interview or news, I'm comfortable with it. As far as I know, there was no connection between buying the picture and getting any interviews. You can't ask her to give the picture for free."

Although Steele was widely criticized for selling another picture to the National Enquirer for \$7,000, Time did not disclose its payment, which Steele

acknowledged at the Whitewater trial of Susan McDougal.

Synergy Watch

The new "Star Wars" flick is obviously a big deal. But did it warrant half of the 10 p.m. newscast on Fox's Washington station, WTTG? And could that have anything to do with the fact that "Episode I: The Phantom Menace" is distributed by 20th Century Fox?

The half-hour "Behind the Force" special—featuring highlights and gauzy interviews with the film's stars and "The Legend's Creator," George Lucas—was pure, unadulterated promotion. It was assembled by Fox's entertainment division and offered to affiliates around the country. On WTTG, anchors Mike Landis and Tracey Neale introduced the segments last week, occasionally cutting to reporter Al Feinberg with fans camped out at the District's Uptown Theater.

WTTG News Director Katherine Green says that after an internal "debate," she concluded that "news is also a reflection of popular culture. 'Star Wars' itself

became such a phenomenon. Sometimes news is simply what people are talking about." Rather than doing Fox's bidding, "we were browbeating our parent company" to provide the footage.

Fox News Channel also aired an hour-long "Star Wars" special, but spokeswoman Marie Jones says the corporate connection "didn't have anything to do with it."

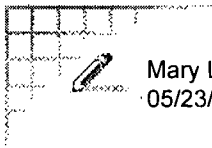
We're Not Making This Up

"Cheaters TV" is a new program headed for syndication in which private eyes work with people who suspect their spouses are fooling around, setting the stage for a televised "bust" when the amorous party is caught at a clandestine rendezvous.

You might think it'd be hard to put a positive spin on such a low-life venture. Wrong! Robert Goldstein, the program's creator, says he wants the show to have "some socially redeeming quality," telling the Dallas Morning News that it "could help curtail adultery and improve relationships."

The Washington Post

MONDAY, MAY 24, 1999



Mary L. Smith
05/23/99 02:18:56 PM

Record Type: Record

To: Thomas L. Freedman/OPD/EOP@EOP, Nicole R. Rabner/WHO/EOP@EOP, Ruby Shamir/OPD/EOP@EOP

cc:
Subject: Family speech

Clinton Pushes Family Help Plan

By SONYA ROSS Associated Press Writer

GRAMBLING, La. (AP) -- Seeking a balance between Americans' work and home life, President Clinton said Sunday states could tap unemployment surplus funds for paid leave for new parents and federal workers could use sick days to care for an ailing family member.

"We as a nation must find a way to give your generation of parents some of that time back," Clinton told 477 graduates of Grambling State University.

"For all of this of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do. We must think bigger and do better."

The president said the "round-the-world, round-the-clock economy" was putting more demands than ever on working parents, and a new study by the Council of Economic Advisers showed families today are spending an average of 22 fewer hours per week together than families did 30 years ago.

Clinton directed the Labor Department to develop rules so states could use surplus unemployment funds -- which are administered by the states -- to pay for leave for parents of newborns and adopted children.

The move comes in response to requests from Maryland, Massachusetts, Vermont and Washington. The majority of states now have surplus unemployment funds, said White House spokesman Barry Toiv. The proposal was expected to cost about \$60 million, spread over various federal agencies.

Federal workers also drew the president's attention.

He said that while the 1993 federal family leave law has helped ease the strain on workers who must care for a sick parent, spouse or child, it did not provide relief for those unable to take time off without pay.

"We ought to set a goal that all working Americans can take time when they need it to care for their families, without losing the income they need to support their families," he said.

As a start, Clinton directed the Office of Personnel Management to allow federal employees to use up to 12 weeks of accrued sick leave annually to care for a seriously ill family member.

Most federal employees now can take only 13 days of sick leave each year for such a need.

"If every company in America that offers sick leave to its workers adopted the same policy we're adopting today, half of all the American work force would have this important benefit," Clinton said.

The family leave law says all employers with 50 or more workers must allow up to 12 unpaid weeks off to care for a new baby or seriously ill family member. The law also allows workers to use sick time and vacation so they can get paid during their leave.

Clinton told the graduates they were successful mainly because of their parents' sacrifices. He singled out the parents of two graduates as other parents and families in the stands clustered under umbrellas and fanned themselves with programs in the heat.

Clinton cited his own childhood days beside his grandfather, who ran a small community store. He also recalled giving that same exposure to his daughter Chelsea: watching her draw pictures at a little desk across from his in the Arkansas governor's mansion, and set aside time in the evenings so he could eat with her and his wife Hillary.

"I've been thinking a lot about family lately, and I expect a lot of you have," Clinton said.

Weighing on his mind have been the school shootings in Littleton, Colo. and Conyers, Ga., the hate crimes that killed James Byrd Jr. in Texas and Matthew Shepard in Wyoming, and ethnic cleansing in Bosnia, Rwanda and Kosovo.

Those events, Clinton said, "force us to confront the need to raise our children to respect others who are different from themselves. ... It all begins with family, with parents who love

their children more than life and raise them to live their dreams."

The speech was the first of three commencement addresses Clinton plans this year on the impact of the nation's booming economy. He also is scheduled to address graduates of the Air Force Academy on June 2 and the University of Chicago on June 12.

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Clinton calls for expanded sick leave

Urges broader use of jobless funds

By Andrew Cain
THE WASHINGTON TIMES

A1

GRAMBLING, La. — President Clinton, citing the "time crunch" for working families, yesterday directed federal agencies to give employees up to 12 weeks of accrued sick leave each year to care for seriously ill family members.

Mr. Clinton, delivering a commencement speech at Grambling State University, also proposed that states voluntarily let parents draw surplus unemployment insurance funds while they care for a newborn or an adopted child.

"Today's working parents too often feel enormous stress and bring the stress home with them," Mr. Clinton told jubilant graduates at Grambling, a historically black university founded in 1901.

"Most of the parents I know have had problems balancing work and family. And as you move through your careers, unless we act now, this problem will get worse," Mr. Clinton said as a hot sun beat down on Eddie Robinson Stadium, named for the NCAA's all-time winningest football coach.

"Therefore, I believe it is imperative that your country give you the tools to succeed not only in the work place, but also at home," Mr. Clinton said.

Aides said the unemployment insurance proposal would help states take advantage of the nation's booming economy while joblessness lingers at 4.3 percent, the lowest peacetime rate since the 1950s.

Mr. Clinton's June 12 commencement address at the University of Chicago will be a bookend to yesterday's speech, aides said. In that address, Mr. Clinton will put "a human face" on changes in the international economy.

Mr. Clinton did not mention NATO's 61-day air war on Yugo-

slavia during his address.

But the president stressed in an opinion article in yesterday's New York Times that he would not rule out any options in the Serbian province of Kosovo. Britain is pressuring NATO to be ready to deploy ground troops in a "non-permissive environment."

Mr. Clinton, who pushed to tighten gun laws after the April 20 school massacre in Littleton, Colo., said yesterday that the federal government and the states must do more to strengthen families.

Families spend 22 fewer hours per week with their children than in 1969, Mr. Clinton said, citing a report from his Council of Economic Advisers. The burden falls mainly on employed women, and is compounded by the dramatic rise in single-parent families since 1969, he said.

In 1969, 38 percent of married mothers worked outside the home, according to the report by Mr. Clinton's economic advisers. In 1998, 68 percent did.

Most federal workers now can take up to 13 days of sick leave each year to care for an ill family member, Mr. Clinton said. He directed the Office of Personnel Management to draw up regulations under which federal em-

ployees could use up to 12 weeks of accrued sick leave each year to care for a spouse, son, daughter or a parent with a "serious health condition."

The federal initiative would cost about \$60 million annually, a spokesman for Mr. Clinton said.

Maryland, Vermont, Massachusetts and Washington state have introduced legislation under which their states could pay for a parent's leave with unemployment insurance funds. Mr. Clinton directed Labor Secretary Alexis M. Herman to draw up regulations and model legislation that would make it easier for states to take such an approach.

The Washington Times

MONDAY, MAY 24, 1999

Espionage at labs is continuing, Cox says

By Joyce Howard Price **A1**
THE WASHINGTON TIMES

U.S. nuclear-weapons labs will not even meet "minimum" security standards until some time next year, Rep. Christopher Cox said yesterday.

"That's unacceptable," said Mr. Cox, California Republican, who chairs a special U.S.-Chinese national security committee. A 700-page committee report detailing Chinese attempts to buy and steal U.S. technology for rocket launching and nuclear programs is set to be released tomorrow.

"The espionage ... continues, we state in our report, to this very day," Mr. Cox said.

His disclosure came amid demands by Senate lawmakers — including a Clinton-administration ally — that Attorney General Janet Reno's job be put on the line over the Justice Department's failure to actively pursue suspected Chinese spying in U.S. nuclear-energy labs.

"I believe it's time, considering her role, or lack of role ... for new leadership at the Justice Department," Senate Select Committee on Intelligence Chairman Richard C. Shelby, Alabama Republican, said on CBS' "Face the Nation."

"I believe the attorney general ought to resign, and she ought to take her top lieutenants with her. She ought to do it now, for the sake of the country," he said.

Said Sen. Robert G. Torricelli, New Jersey Democrat: "I think it's time for President Clinton to have a conversation with the attorney general about her ability to perform her duties and whether or not it is in the national interest for her to continue."

The lawmakers specifically pointed to the Justice Department's repeated denials of requests by the FBI to wiretap Los Alamos scientist Wen Ho Lee, who is suspected of passing classified nuclear-weapons information to the Chinese.

Senate Majority Leader Trent Lott said simply, "Heads should roll."

Also yesterday, the deputy intelligence director at the Department of Energy (DOE) suggested the White House was informed about China's theft of U.S. nuclear secrets much sooner than it has acknowledged, opening the door to speculation of a potential cover-up to justify U.S. policy toward the communist power.

Concerns about China's ability to acquire U.S. technology dominated the Sunday morning TV talk shows. Some lawmakers said the release of the Cox report — along with new revelations about Chinese espionage and campaign fund raising — may "connect the dots" first set out by Sen. Fred Thompson in a 1997 Senate investigation.

"At the end of the investigation in 1997, the way I viewed it is that we were left with a lot of dots on a canvas, but they were not connected," said Sen. Joseph I. Lieber-



Energy's Notra Trulock said on NBC's "Meet the Press" that his warnings went largely unheeded.

man, Connecticut Democrat. "I think what's happened in the last couple of months ... is that the dots are beginning to be connected."

One of the senators who was privately briefed on the report's contents last week called it "scary," and Energy Secretary Bill Richardson echoed that sentiment yesterday on ABC's "This Week."

"It is a scary report. Nuclear-weapons information, design information was obtained. There was lax security at the labs in the '70s, '80s, and '90s. But we are correcting the problems," he said.

Mr. Richardson was not specifically asked about Mr. Cox's assertions about the dismal state of counterintelligence at the DOE and its labs. But he said, "We have to implement a lot of cyber-security measures I've proposed. We have to implement increased security at all the labs. I've got to get the budget from the Congress to have strong counterintelligence measures."

Later in the interview, Mr. Richardson acknowledged, "There have been endemic problems, as Chairman Cox said, with security

at the entire DOE complex. I am correcting that."

The Cox report — some of which has leaked out in recent weeks — concludes that over the past two decades, China has obtained sensitive information about seven nuclear weapons — much of the modern U.S. arsenal. Intelligence officials and others have said U.S. secrets probably accelerated China's nuclear development and were likely to show up in future weapons.

Rep. Porter J. Goss, Florida Republican, said the blame belongs at the top.

"There was completely insufficient attention at the White House at the appropriate levels — which would be the highest levels — to deal with what are our most important national security matters," Mr. Goss told "Fox News Sunday."

Notra Trulock, deputy intelligence director at the DOE, said he began talking to administration officials as early as April 1996, but that his warnings went largely unheeded.

Mr. Trulock told NBC's "Meet the Press" he met with National Security Adviser Samuel R. Berger three years ago to warn him about Chinese espionage at U.S. nuclear laboratories, which are run by the DOE.

"I was explicit and to the point," he said.

Mr. Berger has said he subsequently briefed Mr. Clinton and took steps to address the problem.

But a year after his first meeting with Mr. Berger, Mr. Trulock said, "we were sufficiently concerned about the lack of progress ... that we specifically went to the White House and sought their assistance."

On March 19, Mr. Clinton said: "To the best of my knowledge, no one has said anything to me about any espionage that occurred by the Chinese against the labs during my presidency."

"I'd be very concerned if the president didn't know about these things," Mr. Cox said.

• This article is based in part on wire service reports.

Top of page:

Col 1: Translating at a young age is a common experience in immigrant families, one that helps children gain increased confidence, greater fluency in both languages and a broader knowledge of society; but the cumulative burden of what researchers call "language brokering" also puts children in the awkward position of trying to decipher for their parents a world they have barely learned to navigate. (TRANSLATORS, moving Monday).

Cols 2-6: More than 500 exhausted, emaciated Kosovo men of fighting age staggers across the border into Albania, telling harrowing tales of being beaten, starved and forced to fight one another like gladiators by their Serbian captors. (with art) (BALKANS-TIMES, moved).

Above fold:

Col 2: President Clinton declares that America's working parents need to spend more time with their children, and he offers two government-subsidized family leave programs to help make it possible. (FAMILY-TIMES, moved).

Cols 3-4: The "Cox committee," named for its chairman, Rep. Christopher Cox, R-Calif., concludes that China acquired numerous U.S. nuclear warhead designs and other military secrets over the last 20 years, and that China continues to maintain an aggressive spying operation, according to Cox and other members of the committee. (CHINA-SPY, moved).

Col 5: In the miserable camps and shelters for Kosovo refugees, the notorious "scafisti" who for years have spirited Albanian women across the Adriatic Sea to lives of prostitution have found lucrative new prey for their nocturnal crossings in the squalid refugee camps. (BALKANS-BOATS, moving Monday).

Below fold:

Cols 3-4: The Federal Reserve, the institution that once believed the only way to manage America's economy was to keep its mouth shut, is now engaged in a veritable gabfest to tune interest rates. (FED-ASSESS, moving Monday).

Bottom of page:

Cols 1-2: U.S. Customs Service officials say millions of prescription drugs flow illegally into the United States each year from such border communities as Tijuana, where dozens of "farmacias" line block after city block. (MEXICO-SMUGGLE, moving Monday).

Cols 5-6: Local feature.

Clinton Plan Provides Government Funds for Family Leave

By Eric Lichtblau
Los Angeles Times

GRAMBLING, La. President Clinton declared Sunday that America's working parents need to spend more time with their children, and he offered two government-subsidized family leave programs to help make it possible.

Citing a new federal study that says working parents must contend with a worsening "time crunch," the president said both plans aim to give people the financial flexibility they need to take time off from work to tend to family needs.

"Parents should not have to fear a boss' wrath because they left work to take a child to the doctor. They shouldn't have to call in sick to attend a parent-teacher conference at the school," Clinton told nearly 500 graduating students at Grambling State University, a historically black university in northern Louisiana.

The first plan offered by Clinton would allow states to essentially underwrite family leave for parents after a birth or adoption, tapping into surplus unemployment benefits to help pay their salaries while they are off work. The plan doesn't require congressional approval.

In a companion idea, Clinton directed government officials to let federal employees take up to 12 weeks of accrued sick leave to care for seriously ill family members, a significant increase from the 13 days currently allowed. And he challenged private employers to follow suit.

Clinton has focused repeatedly in recent weeks on combating the roots of hatred evident in the Littleton, Colo., school massacre and the "ethnic cleansing" in Kosovo, and he expanded on that theme in the first of three commencement addresses he will deliver in coming weeks.

"It all begins with family," he told a supportive audience at Grambling.

Unveiling the results of a study conducted by his economic advisers, Clinton said Americans are suffering because they are spending far less time with their families than a generation ago. And, he warned, "unless we act now, that problem will get worse."

Clinton's plan for underwriting parental leaves reflects the interest expressed by several states in putting to use surplus unemployment insurance a benefit of declining joblessness to help new parents take time off from work.

Officials said four states—Maryland, Massachusetts, Washington and Vermont—have sought permission from the federal government to use their surpluses to offset the salaries of parents taking leave from work to be with their children.

Clinton's plan directs the Labor Department to draft regulations to allow such diversions, if states choose to enact legislation financing the parental leaves. More than half the states have unemployment insurance surpluses, officials said.

Clinton's directive to permit about 2 million federal civilian employees to take expanded sick leave would cost the government about \$60 million a year, spread across all federal agencies.

Officials expect that about 0.5 percent of the federal work force—about 10,000 employees—would utilize the full 12 weeks of sick time to tend to ailing family members, a White House official said.

Noting that the first bill he signed as president was the Family and Medical Leave Act of 1993, Clinton said the two new plans represent bold and significant expansions of current laws protecting workers who need to take time off.

"To be truthful, the current law just meets a fraction of the need. Too many people, too many family obligations aren't covered at all. Too many families can't take advantage of the law because they can't afford to take time off because they can't live without their paychecks," he said.

"For all of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do," Clinton said. "We must think bigger and do better."

He urged private employers to develop more on-site day care programs for the children of employees, and to expand telecommuting and other work options to give working parents more flexibility in managing their time.

The study, prepared by the Council of Economic Advisers, focuses on a growing "time crunch" for U.S. families, tracing trends in the hours that Americans are spending at work and at home since 1969.

The report found a "dramatic shift" in women leaving the home to join the work force, with 68 percent of married mothers holding paying jobs in 1996 compared with 38 percent in 1969.

That, in turn, has caused a sharp decline in the time parents have available to spend with their children—a loss of 22 hours a week, or 14 percent. An increase in single-parent families has also fueled the problem.

Justice Dept.'s Antitrust-Busting Puts Companies on Alert

By Eric Lichtblau and Jube Shiver Jr
Los Angeles Times

WASHINGTON In the biggest crackdown on business abuses in a generation, Attorney General Janet Reno's antitrust gurus are flexing their regulatory muscle with newfound vigor, fresh off a string of high-profile assaults on corporate icons.

American Airlines, Microsoft, major credit card companies and European vitamin giants are just a few of the companies to face the recent wrath of antitrust regulators at the U.S. Justice Department, all part of a forceful campaign to fight alleged monopolization and price-fixing.

The aggressive posture has been driven by a mix of political opportunism, frustration with past missteps, attractive inducements to whistleblowers, and a string of other factors.

"Make no mistake about it, this is a very ambitious agenda. It's been 20 years since the government took on so many major figures of American commerce and accused them of abuse of power," said George Washington University law professor William E. Kovacic, an antitrust specialist.

For all the Justice Department's saber-rattling, however, some frustrated consumer advocates and antitrust experts question whether the high-profile attacks mask a more troubling trend. A slew of multibillion-dollar telecommunications mergers have gone virtually unchallenged by the department, foreshadowing continued rate hikes in everything from cable television to phone service and computer software, some consumers advocates warn.

"Those are the cases that have much broader implications for the public, and (department regulators) have been much too timid," said Gene Kimmelman, co-director of Consumers Union. "They've missed the boat."

That criticism aside, few deny that the corporate community both here and abroad has been put on notice by the Justice Department's tough talk and impressive results.

"The message is if you violate antitrust laws, it's going to be very, very costly," said Gary Spratling, head of criminal antitrust matters.

Indeed, one gauge of the trend—the amount of fines collected from antitrust scofflaws—has burst through the roof; fines have increased from \$26.8 million in 1996 to nearly a billion dollars already this year, a result of the Justice Department's deliberate decision to go after the big multinationals and leave small-time price-fixers to local authorities.

Antitrust regulators have been able to move more forcefully in part because the Clinton administration is nearing an end and is more immune to political criticism, some suggest.

Big complicated cases often are launched in the waning days of a political administration, after the

evidence has been gathered and where the political climate might not matter as much. The Justice Department's 1969 landmark antitrust case against IBM Corp., for example, was launched in the waning days of the Johnson administration and it was quietly killed a decade later at the beginning of the Reagan administration.

Chief antitrust officer Joel I. Klein, meanwhile, has appeared more receptive to new ideas in economic theory and has managed to consolidate his power at the department, with close access to Reno.

The current burst of visibility for Klein's operation is several years in the making. One attorney familiar with the process said it has its roots in a losing effort in 1994 to prosecute a price-fixing case in the diamond industry.

The frustration and disappointment of that case prompted the department's enforcement section to take stock of many of its methods, particularly those related to the growing international markets. In recent years, antitrust regulators have moved forcefully to target international cartels, strengthen their contacts with overseas authorities, and develop a leniency program for corporate whistle-blowers willing to cooperate.

"The amount of analysis that the antitrust agencies are doing is more elaborate" and that takes time, Phil Verveer, a veteran Washington antitrust lawyer who helped the government bring the case that ultimately, in the early 1980s, broke up the old AT&T monopoly on telephone service.

With 30 grand juries now investigating international cartels in different industries and hundreds of millions of dollars already levied in fines this year "we're now seeing the fruits of that focus," the attorney said.

Indeed, the antitrust fines have been flying of late at a pace that would have made Teddy Roosevelt and his railroad monopoly-busters proud.

Earlier this month, the Justice Department trumpeted a record antitrust fine of \$135 million against a German company for fixing prices of graphic electrodes used in the steel industry. The very next day, a German food manufacturer was slapped with a \$36-million fine in a scheme to jack the prices of chemical preservatives used in processed foods.

And on Thursday, just two weeks later, the record was broken again. Reno stood next to Klein to announce a \$500-million fine against a Swiss vitamin maker for leading a decadelong, price-fixing "cartel" and a \$225-million fine against a German company that conspired in the scheme.

That came on the heels of the Justice Department's bold attack recently on the airlines' "hub" system. It sued American Airlines for allegedly monopolizing service at its Dallas base and driving out small carriers by slashing fares temporarily.

The lawsuit, the first of its kind against airline "predatory pricing," could have a broad impact on the major airlines, but it faces a tough battle in the courts. And not everyone thinks the government's aggressive new tactics will help travelers in the end.

The lawsuit could deter competition and drive up fares, said antitrust specialist Ernest Gellhorn, a law professor at George Mason University. "It's dumb economics. The last thing we want to do is set up a bunch of antitrust laws that tie competitors' hands behind their backs," he said.

Such trends worry Gellhorn and other free-market proponents. "If there's one guiding philosophy" behind the Justice Department's new antitrust vigor, he said, "it's a certainty that government knows best."

But Justice Department officials insist that a staunch defense of consumers' rights, not arrogance, is driving their recent assaults.

"Our focus is on market power, how it was acquired, and whether it was misused," Klein said in an interview.

The antitrust stakes are perhaps highest for the government in the Microsoft antitrust trial, which many observers see as a crucial test of the limits of corporate power in the Information Age, as well as sign of how far the courts are willing to go in reining in anti-

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HEADLINE: Clinton vows to let states help parents;
Benefits touted for infant care

BYLINE: By Ann Scales, Globe Staff

BODY:

GRAMBLING, La. - Calling parents too stressed and overworked, President Clinton said yesterday he would order a change in federal regulations that would allow workers to collect unemployment benefits while on leave to care for newborn or newly adopted children.

In a commencement address at Grambling State University, the president said the revisions would give states the enlarged authority to provide the benefits. The change follows inquiries from Massachusetts, Maryland, Washington and Vermont, which, the White House said, have bills pending in their legislatures to allow them to use surpluses in unemployment insurance programs to pay leave benefits to new parents.

Clinton also proposed greatly expanding the government's sick leave policy to allow federal workers up to 12 weeks off with pay to care for seriously ill family members. Neither action, White House aides said, requires the approval of Congress.

Clinton said the federal government needed to find "creative ways to help Americans use benefits they've worked for to finance the time off they need for their families."

He said last month's killing of 14 students and a teacher at Columbine High School in Littleton, Colo., coupled with a recent spate of hate crimes, underscored the importance of making "the bonds that tie parents to children stronger."

Armed with a new study by his Council of Economic Advisers that shows that more parents are working outside the home and have less time for their children, he said, "It all begins with family, with parents who love their children more than life and raise them to live their dreams."

According to the study, the percentage of married mothers in the work force has nearly doubled over the last 30 years, from 38 percent in 1969 to 68 percent in 1996.

Because more mothers are working outside the home and the number of single-parent households has risen, parents now have 22 fewer hours each week, or 14 percent less time, to spend at home than they used to, the study said.

"That means by the time a child reaches the age of 18 in today's world those 22 hours a week amount to over two years more the parents are away from home," Clinton said.

He told the nearly 500 graduates, "We as a nation must find a way to give your generation of parents some of that time back."

Clinton said the Family and Medical Leave Act, the first bill he signed into law as president in 1993, "just meets a fraction of the need." Too many families, he added, "can't take advantage of the law because they can't afford to take the time off because they can't live without their paychecks."

He said, "In our around-the-world, around-the-clock economy, there just don't seem to be enough hours in the day for parents to do everything they need to do."

Clinton challenged the private sector to follow his lead by allowing more paid sick leave to employees caring for a spouse, child or parent with a serious illness like cancer, heart or kidney disease.

He has directed the Federal Office of Personnel Management to revise its regulations to allow employees to use up to 12 weeks of accrued sick leave each year to care for an ill family member. Currently, most federal employees are limited to 13 sick days a year.

"If every company in America that offers sick leave to its workers adopted the same policy we're adopting today, half of all the American work force would have this important benefit for their families," he said.

White House officials estimated that about half a percent of the federal workforce would use the option, costing the federal government about \$60 million annually.

Clinton also directed Labor Secretary Alexis Herman to draw up the new regulations authorizing the expansion of the unemployment insurance system.

But Clinton aides said it would be up to the states to decide whether to use the surpluses most have in their unemployment insurance programs to allow parents paid leave following the birth or adoption of a child.

"This would be strictly voluntary," said White House spokesman Barry Toiv.

Clinton told the graduates at the historically black college, "If you or any American has to choose between being a good parent and successful in your careers, you have paid a terrible price, and so has your country."

He urged school districts to "unlock those empty classrooms in the late afternoon, fill them with the sounds of children playing and learning" and prodded business "to do more by helping their own workers find and afford quality child care."

The commencement speech was the first of three Clinton will deliver this spring. He will address graduates at the Air Force Academy in Colorado on June 2 and the University of Chicago on June 12.

Clinton, who received an honorary Doctor of Laws degree from Grambling, was also offered a post-White House job by university President Steve A. Favors, who enticed the president with offers of Louisiana cuisine, including "gumbo, jambalaya, crawfish . . . collard greens, sweet potato pie and ham."

Favors said, "We'll even allow you unlimited opportunities to play the

saxophone with the world-renowned Grambling State University marching band," which, in a tribute to Clinton, performed the song "Heatwave" during the ceremony.

Said Clinton: "I was getting into this" before Favors said he was just kidding. "I've got a good pension, I can work pretty cheap."

Favors was not the only one thinking about future jobs. As Clinton began his speech, telling graduates that this was an important day in their lives, one student yelled out, "I need a job!"

Clinton replied, "Well, you'll be able to get one now."

GRAPHIC: PHOTO, AP PHOTO/President Clinton received an early-morning salute as he departed Air Force One at Barksdale Air Force Base, La., yesterday.

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THE WHITE HOUSE

Office of the Press Secretary
(Grambling, Louisiana)

For Immediate Release

May 23, 1999

REMARKS BY THE PRESIDENT
IN COMMENCEMENT ADDRESS TO
GRAMBLING STATE UNIVERSITY GRADUATES

Eddie Robinson Stadium
Grambling, Louisiana

9:47 A.M. CDT

THE PRESIDENT: Thank you. Good morning.

THE AUDIENCE: Good morning.

THE PRESIDENT: I thank you for the wonderful, wonderful welcome. President Favors, thank you for the degree --I'm beginning to feel smarter already. (Laughter.)

My good friend, Reverend Jones, thank you for your wonderful invocation and reminding us why we are here on this Lord's day. Mayor Williams, thank you for making me feel welcome, and I thank the other mayors and councilmembers who met me. Dr. Jindal, thank you for your remarks. I must say, I was especially impressed by the remarks of your student government president, Tony Easton; and Miss Grambling, Martha Fondel. (Applause.) After they spoke I wasn't quite sure I wanted to give my speech. (Laughter.)

Let me also say that I am delighted to be joined today by your distinguished Senator, Mary Landrieu, and Congressman William Jefferson, from New Orleans. (Applause.) By our Secretary of Transportation and, like me, a neighbor of yours to the north, from Arkansas, Secretary Rodney Slater, I thank him. (Applause.)

You know, when I heard that I might be able to come to Grambling, there was very little discussion about this in the White House. Now, usually, when the President has a chance to go someplace, there's always an argument about it because they think you should be somewhere else. Somebody who works for you thinks

you should be somewhere else.

But I told my staff that I wanted to take a day away from Washington, D.C. Now, Washington is a town where everybody thinks they're somebody -- (laughter and applause) -- and I wanted to come to the place where everybody is somebody. (Applause.)

I also was not about to miss a chance to hear the best band in the land. (Applause.) And I thank you for the musical tribute. And I'm glad at least the tuba players were standing up and dancing, I would have missed that, too. (Applause.)

I also -- (laughter) -- hey, I'm just getting warmed up, you know? Come on. (Laughter.)

To the last Grambling class of the 20th century -- (applause) -- this is an important day in your lives. In so many ways --

AUDIENCE MEMBER: I need a job.

THE PRESIDENT: Well, you'll be able to get one, now. (Laughter.)

In so many ways, the story of this institution embodies the whole 20th century experience of African Americans. In 1901, not a single public school in this part of Louisiana would welcome an African American into its classes. But the visionary farmers of this community, the children and grandchildren of slaves, were determined to give their children the education and pride and power to rise above bigotry and injustice. (Applause.) And so, even though they didn't have much, they scrounged around and raised some money and wrote a letter to Booker T. Washington, asking him to send a teacher to help build a school in the piney woods.

Out of that determination, Grambling has truly grown into a university for the 21st century. (Applause.) You have nurtured some of our nation's best educators and lawyers, pastors and public servants, nurses and business leaders. Of course, the NFL recruits here, thanks to Eddie Robinson and his successor, Superbowl MVP Doug Williams. (Applause.) Of course, you're known for your band and your other athletic teams.

But America's top technology firms recruit here, too -- because Grambling confers more computer and information science degrees to African Americans than any other university in the nation. (Applause.)

So you join a proud tradition today and I congratulate you all. You have gained knowledge that will enrich you for the rest of your lives and I can just see by looking at you, you've made friends who will stay with you for the rest of your lives. Through long hours in the class and late nights in the library, through moments of both self-doubt and triumph, you have today gained the prize -- an education that will help you succeed in one of the most exciting eras in all of human history.

I'd also like to congratulate and honor today your parents, your grandparents, your aunts and uncles -- (applause) -- all those who had a hand in raising you. They should be proud of you; but they should also be proud of themselves. To raise a child from infancy to college graduate is no small feat -- you hear the "amens" from the audience on that one. (Laughter.)

One of the most beloved Presidents of Grambling, Ralph Waldo Emerson Jones, I understand often said to his students, when you go home, be sure to kiss everybody -- including the mule -- (laughter) -- because the mule is the one who pulls the plow and keeps the family going. Well, I'm not going to ask the graduates to kiss any mules today, but I do ask each of you before this day is over to say a special thank you to the people who kept your families going.

I asked for some research on some of the families -- I'd just like to mention two. People like Joyce Gaines of Vallejo, California. Listen to this: even through the pain of five ruptured disks in her back, she worked three jobs and commuted 200 miles a day to put her daughter, Tieaasha, through Grambling. (Applause.) Where are you? Stand up there. (Applause.) Today, she's graduating with a degree in sociology and she plans to open a home for abused children. She is a tribute to her mother's love and sacrifice. (Applause.)

People like James and Lilly Bedford of Shreveport. James is a plumber, Lilly is a cook. Both took on extra work at night and on weekends to help their youngest son, Terrence, pay for college. She was a student at Grambling back in the '50s, but Lilly had to leave before graduating. Now Terrence is the second of the seven Bedford children to earn a Grambling degree, and

he's the senior class president. Congratulations to the Bedfords. Where are you? Thank you. (Applause.)

Stories like this remind of us what people can achieve when they set their minds to it, but they also remind us of how hard it can be to raise a child right, especially today in our very busy society with its very demanding economy. Now, this is the serious part of the talk. I want you to have a good time today, but I want you to listen to this. This spring I'm going to speak to seniors about how this new economy is transforming every aspect of our lives.

Next month, at the University of Chicago, I'll talk about how we must put a human face on the dynamic but often disruptive international marketplace. But today I want to talk to you about what we as a nation must do help families like those I just mentioned -- and those will be your families -- master the challenges of the new economy.

I've been thinking a lot about family lately, and I expect a lot of you have. In the aftermath of the terrible tragedy at Littleton and the other school shootings we've had in our country; they've forced us to confront the need not only to make guns less available to criminals and children, not only to make our culture less violent and our schools safer, but also to make the bonds that tie parents to children stronger. (Applause.)

The spate of hate crimes that we have seen, taking the lives of James Byrd Jr. in Texas, Matthew Shepard in Wyoming, and others force us to confront the need to raise our children to respect others who are different from themselves -- (applause) -- and to recognize that all hard-working, law-abiding people are part of our national family. The horrible ethnic cleansing of this decade in Bosnia, then Rwanda, now Kosovo, demonstrate in stark terms what can happen when a people raise their children without the fundamental premise embodied in our Declaration of Independence -- that we are all created equal, equally endowed by God with the right to life and liberty and the pursuit of happiness. (Applause.)

It all begins with family, with parents who love their children more than life and raise them to live their dreams. Most of you today are probably thinking more about the adventures of the work that awaits you at this marvelous time in your lives. And well you should be. But most of you also will become parents. When that happens, it will be the most important work

you'll ever do. You will have the awesome responsibility of your children's physical, intellectual, emotional and spiritual development, while at the same time pursuing your own lives in a society that will reward your knowledge and skills in power, and entertain you with its explosions of technology and mobility, and keep you very, very busy.

For those without your level of education in your time just earning enough to pay the bills may be a chore, especially if there are children to be raised.

Now, the class of 1999 is entering an era of unparalleled opportunity and possibility with, for example, the lowest African American unemployment and poverty rates ever recorded and the highest African American homeownership in history. To give more people like you a chance to participate fully in this economy, we've opened the doors of college to more and more Americans, with the HOPE Scholarship tax credit, larger Pell grants, lower-cost student loans -- tools many of you have used to finance your education.

Now, with your diplomas in hand, you will have the chance to reap the benefits and shape the future of this new era -- your time; to lead lives of greater accomplishment and affluence than most of your parents even dreamed of. But as you form your own families you will no doubt feel the pressure of trying to balance the demands of work and family; and doing a good job at both in a world that moves faster and faster, and often leaves parents less and less time and energy for their children.

Today's working parents too often feel enormous stress, and bring the stress home with them. This is a problem not confined -- I want to emphasize this to you -- it is not confined just to people who work for low and modest incomes. Most of the parents I know have had problems balancing work and family. And as you move through your careers, unless we act now, this problem will get worse. Therefore, I believe it is imperative that your country give you the tools to succeed not only in the work place, but also at home. If you or any American has to choose between being a good parent and successful in your careers, you have paid a terrible price, and so has your country.

I asked the President's Council of Economic Advisors to study the sweeping changes the modern economy has brought to our families. Now, no offense to anybody on the faculty here, but you know, it's been said that if every economist on Earth were

laid end to end, they still would not reach a conclusion.
(Laughter.)

But on this question, these economists did reach a conclusion, one that conforms to common-sense and common experience. They found that because more and more parents were working outside the home, they have less and less time for their children. The percentage of married mothers in the work force has nearly doubled in a generation, from 38 percent in 1969 to 68 percent in 1996. Because more mothers are working outside the home, and because the number of single parent families has grown -- listen to this, because this will be your life -- parents in the average family now have 22 fewer hours each week to spend at home, that's nearly one full day less time per week for parents to devote to their children. That means by the time a child reaches the age of 18 in today's world those 22 hours a week amount to over two years more the parents are away from home.

We as a nation must find a way to give your generation of parents some of that time back even as you've gotten an education to succeed in the work force. (Applause.)

Most of today's parents, the vast majority, are doing everything they can to do right by their kids but they still worry that no matter how hard they try it won't be enough. They worry that waking up early and staying up late to make time for their children may not be enough, when a child still has to come home to an empty house after school.

They worry that all those Sunday morning sermons about a world of love might not be enough when TV and movies their children watch, the music they listen to, the video games they play show too much hate and violence. They worry that all those nights working overtime to buy a computer so that a child can visit some of the world's finest libraries on the Internet might not be enough, when the same Internet can also lead them to recipes for pipe bombs and explosives, or to website discussions of dark visions of life and society so very different from the ones the parents have tried to impart.

Last week Hillary and I took a sad journey to Colorado to visit with the students and the families of Columbine High School. I came away from that experience more certain than ever that as we work to strengthen our gun laws we also have to work to strengthen our families. (Applause.)

Now, it seems to me that the modern economy you're going to be a part of poses four great challenges for you as parents. The greatest and most obvious, as I've said, is time. In our around-the-world, around-the-clock economy, there just don't seem to be enough hours in the day for parents to do everything they need to do. I'm proud that the first bill I signed as President was the Family and Medical Leave Act, and since 1993, millions of Americans have used it to take up to 12 weeks of unpaid leave to care for a newborn or a sick relative without losing their jobs. It has been a great thing. (Applause.)

But to be truthful, the current law just meets a fraction of the need. Too many people, too many family obligations aren't covered at all. Too many families can't take advantage of the law because they can't afford to take the time off because they can't live without their paychecks. For all of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do. We must think bigger and do better.

On the eve of the 21st century, we ought to set a goal that all working Americans can take time when they need it to care for their families without losing the income they need to support their families. (Applause.) Achieving that goal cannot come overnight and will require a significant shift in how our nation helps families to succeed at home and work. But it can make all the difference in your lives. It will demand thought and creativity, a willingness to experiment; it has to be done in a way that gives families flexibility and doesn't undermine our dynamic and growing economy.

Today, using my executive authority as President, we're going to take an important step toward that goal. I am directing the Office of Personnel Management, whose director, Janice LaChance, came down here with me today, to allow all federal workers to use the sick leave they've earned to take time off to care for other sick family members. (Applause.)

Now, what this means is on sick leave you get paid. Currently, the most sick leave a worker can use in these kinds of cases is 13 days a year. With the new policy I propose today, federal employees will be able to take up to 12 weeks paid sick leave to nurse an ailing child or parent back to health. (Applause.) If every company in America that offers sick leave to its workers adopted the same policy we're adopting today, half of all the American work force would have this important benefit

for their families.

We have to find other creative ways to help Americans use benefits they've worked for to finance the time off they need for their families. Let me give you another example. A few states have asked the federal government if it would be possible to try a bold idea: allow workers who have earned unemployment insurance coverage to collect unemployment payments while they're on leave caring for a newborn or a newly adopted child. This is a very promising idea.

Today, I'm directing the Secretary of Labor to issue a rule to allow states to offer paid leave to new mothers and fathers. We can do this in a way that preserves the soundness of the unemployment insurance system and continues to promote economic growth. As the First Lady said in her book, "It Takes a Village," those first weeks of life are critical to the bonding of parents and children, and they can have long-term positive developments for the children. No parent should have to miss them.

I also am challenging Congress to help. I have proposed expanding unpaid family leave to cover more workers and more parental responsibilities, and Congress ought to respond positively. Parents should not have to fear a boss's wrath because they left work to take a child to the doctor. They shouldn't have to call in sick to attend a parent-teacher conference at the school. (Applause.)

The second challenge parents face is finding affordable high-quality child care, and a lot of you will face that. Low income families spend up to a quarter of their income on child care. Studies show that only one in seven child care centers meet all the standards of good quality. Now, I'm supporting subsidies for child care and tax credits, better training for care-givers, stronger enforcement of safety standards. And I want business to do more by helping their own workers find and afford quality child care. (Applause.)

In addition to that, you know, today millions of working parents -- and a lot of them right here in north Louisiana -- start looking at the clock every day about 3:00 p.m. in the afternoon, wondering if their kids have come home from school; wondering how they'll fare at home, alone. The hours after the school bell rings and before parents come home are a perilous time for children, the time they're most tempted to try drugs and

alcohol, most likely to become victims of a crime. That's why I have asked Congress to triple our investment in quality after-school programs. I challenge school districts all across this country: unlock those empty classrooms in the late afternoon, fill them with the sounds of children playing and learning. (Applause.)

The third challenge parents face, since they're more and more at work, is that they're literally physically apart from their children more. Now, because of some modern developments in the work force we can actually close that distance by bringing back a very old idea -- letting children who can be, be with their parents more at work. When I was a young child I often went to work with my grandfather, who worked as a night watchman in a sawmill outside Hope, Arkansas. And I often went to the little grocery store he ran. And I tried not to be in the way too much, or to eat too many cookies that I didn't pay for. (Laughter.)

But I learned lessons there that have stayed with me for the rest of my life. As I became President I realized that as a father, with a daughter who was then still in junior high school, I had the privilege of, in effect, living above the store. The place where I worked was only a two or three minute walk to have dinner every night with my family. When I was governor -- I still remember when I was governor, I had a little desk over in the corner of my office for my daughter. And I still have vivid memories -- I would be at my desk, she would be at hers with her crayons drawing me little pictures.

Now, because of changes in the work force we can't do this for everybody, but we can do it for more. More of America's employers can use technology to bring workers and children closer together by allowing more employees to telecommute at work; that is, work at home with a modem where it's feasible. More employers can open more on-site child care centers, and I have seen them working very well in this country. I support tax breaks to help them afford to do that.

More employers can team up with school districts to build public schools at work sites if they're large enough. Dozens of companies have already built innovative public schools. That's what you've done here at Grambling, that's what the lab school is, isn't it? It's a school at a work site, especially friendly to education. (Applause.) These are good things to do. And I challenge the employers of this country to look at them closely.

Finally, the last great challenge parents face in the modern economy is cultural. The new economy has enriched our lives with lower-priced electronic gear and a growing variety of media entertainment, and it sure is interesting. But too often, TV, radio, the Internet bombard our children with images and ideas that no parent would ever want them to see.

We need tools to protect free speech and give parents more control over what their young children see, hear and read. Under the leadership of Vice President Gore, those tools are now being crafted. Soon, half of all the TV sets sold in our country will come with V-chips, so parents can basically make the most of the new TV ratings systems. These devices enable parents to screen out violence, sex, or any program they don't want their children to see. Soon, with just a click of a mouse, parents who have the courage to learn how to use a computer will be able to take offensive websites off their children's screens.

The entertainment industry must also do its part. They should stop showing guns and violence in ads children can see, when they can't see the movies in the first place. (Applause.) They should enforce the movie rating system more strictly, and they ought to reexamine that rating system to see whether it's too loose when it comes to giving a PG-13 rating to films full of gratuitous violence. These are tools that can help working parents succeed at the most important job you'll ever have, raising children. But government's responsibility is to make tools available; your responsibility is to use them.

Doctor King once wrote, "It is quite easy for me to think of a God of love, mainly because I grew up in a family where love was central, and loving relationships were ever present." I hope and pray that the class of 1999 will have the chance to build those ever present loving relationships with your children. To raise your children well, you will have to make many sacrifices. But, then, as we learned again today and as you showed by your applause for them, your parents made many for you.

I ask you to think one more time about how you got here today, to be sitting in the hot sun. (Laughter.) I'm sort of sorry I'm in the shade; I ought to be in the sun and you ought to be in the shade, since I'm talking.

But think about this. How many of you would be here today if it weren't for one or more people in your families -- who were

reading to you, or telling you stories when you were little; who were helping with your homework; who were attending your school events, even if they were dog-tired after work; imparting wisdom over dinner; working with you to give you chances they didn't have; giving you that unconditional love, support and faith that says, you are the most important person in the world to me. Your parents have worked and sacrificed. If you ask them today, was it worth it, you know what they would say.

But until you watch your own children grow up, you can't really know how proud your parents are of you today, and how sure they are that all the sacrifices were more than worth it. No matter what else you accomplish in life, and many of you will accomplish a very great deal, your children will still matter most. We have to make sure that you and they get all the benefits of this fabulous modern world and still keep the enduring gift of your devotion and love.

As you journey into the new millennium I wish you success and fulfillment at work and with your children. Congratulations, good luck and God bless you. (Applause.)

* * * * *

Let me say -- I must say when I was invited to come back and teach and I was told all about the food and all the perks of the job and then the President said he wasn't serious, I was getting into this. (Laughter.) I've got a good pension, I can work pretty cheap. (Laughter.)

Let me say one thing seriously -- I very much hate that I have to go back now but I have -- as you know, we have got a lot going on overseas and it's six hours ahead there and I have to make a lot of phone calls today and do a lot of work, otherwise I wouldn't leave. I would like to stay here until midnight -- not talk until midnight, just stay here until midnight. (Laughter.)

This has been a wonderful thing for me. I have had a lot more fun than you have so far at this. I cannot thank you. I'm so proud of you. And I like looking out there and seeing your faces and your eyes and your self-confidence. And I want you to go out and do a great job with your lives.

Thank you. God bless you.

END

10:30 A.M. CDT

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

November 30, 1999

REMARKS BY THE PRESIDENT
ON PARENTAL LEAVE

The Oval Office

9:20 A.M. EST

THE PRESIDENT: Hello. Thank you. Good morning, ladies and gentlemen. The people here with me at the podium are, obviously, Secretary Herman, but also Katie and Eric Banks and their son, Collin, of Fairfax, Virginia; Jonathan and Teresa Graham and their two children from Baltimore; Darsie Cahall and James Baker and their three children from Takoma Park, Maryland.

I'll say a little more about them in a moment. You can see this is a family event. (Laughter.) We've orchestrated the children.

Before I leave for the World Trade Organization meeting on the West Coast, I want to talk a little about how we're using the strength of our economy to help strengthen working families.

Yesterday I signed a budget that maintains the fiscal responsibility that has given us what will be in February the longest economic expansion in our history, and at the same time lives up to the values of the American people. We have no higher value than family, but too many of our families are having trouble balancing the demands of home and work. Today I'm using my executive order -- authority -- to give these parents new tools to succeed at home and on the job.

The surging technology and soaring prosperity we currently enjoy are the result of a lot of hard work and very long hours by the American people. In fact, today many working parents are forced to make the unacceptable choice between being good workers and good parents. Too often, in our round-the-world, round-the-clock economy, there just don't seem to be enough hours in the day for parents to do what they need to do. That's why we've worked hard to help parents balance work and family.

Last May I asked Secretary Herman to develop new ways to address this problem. Today I'm announcing a proposed Labor Department rule that lets states use their unemployment insurance to offer paid leave to new parents. This initiative is totally voluntary for states. It

helps them empower more working parents, like the ones standing with me today. With this act, the United States joins the rest of the world's advanced economies, all of whom already have some form of paid leave for parents.

When little Collin was born, his mother, Katie, was working as a waitress, his dad was working as a head electrical technician for a small company. Unfortunately, he was born ill and had to be intensive care for several weeks. Katie took unpaid leave and eventually quit her job to be with her son. Collin's dad, Eric, wanted to take leave, but couldn't afford to do so. Once Collin was well enough, Katie looked for and, fortunately, landed another job. But both Katie and her husband would have, and should have, been able to take paid leave to care for their son. That's what this parental leave initiative is all about.

I believe giving states the flexibility to experiment with paid employment leave is one of the best things we can do to strengthen our families and help new mothers and fathers meet their responsibilities both at home and at work.

State flexibility and the voluntary nature of this effort are key to its success. In our strong economy, we hope states will take advantage of this new option, and we believe those that do will balance this new benefit with the imperative of maintaining a fiscally sound unemployment insurance program.

This effort builds on our commitment to give working families more tools to help them adapt to the new economy, from expanding the earned income tax credit to our welfare-to-work efforts, from increasing funding for child care to HOPE scholarships.

In the budget bill I signed yesterday, we fought for and won a doubling of resources for after-school programs to give young people a safe place to study between the end of their school day and the end of their parents' work day.

I'm especially proud that the first bill I signed as President, in 1993, was the Family and Medical Leave law. Since then, millions of Americans -- we believe well over 20 million -- have used it to take up to 12 weeks of unpaid leave to care for a newborn or sick relative without losing their jobs. The importance of this benefit has been confirmed by the testimony of experts and parents at the first ever White House Conference on Early Childhood Development in 1997, and from groups like the Academy of Pediatrics. They all reenforce what we already know from common sense, giving parents and primary care givers time to bond with children leads to healthy development including boosting critical language and literacy skills.

But the current law meets just a fraction of the need. And the number one reason families give for not taking advantage of Family and Medical Leave is that they simply can't afford to take time off without a paycheck. The actions we take today will go a long way toward alleviating that burden if the states take up the challenge. I believe it will strengthen parents' bonds with both their children and their jobs.

As I've said, on the eve of this new century, we ought to set a goal that all parents can take time they need for their families, without losing the income they need to support them.

The new state authority will move us in the right direction and gives another tool in our national efforts to both strengthen our families and reward the dignity of work.

Thank you very much.

Q Mr. President, what do you hope to achieve in Seattle at the WTO?

THE PRESIDENT: Well, I hope we'll get a new round launched that will slash tariffs and other trade barriers in agriculture and other areas. I hope that we will agree to keep e-commerce free of unusual burdens, and that we will lead to more transparent and open rules among nations so that they believe the trading system is fair.

I also strongly, strongly believe that we should open the process up to all those people who are now demonstrating on the outside. They ought to be a part of it. And I think we should strengthen the role and the interests of labor and the environment in our trade negotiations.

This is not going to be easy to do, partly because some nations, particularly a lot of developing nations, see our concern for the environment and labor standards as a way to sort of keep them down. But that is not true. What we want to do is to make sure that when we open the trading system, that ordinary Americans benefit.

In our country, about 30 percent of our growth has come from expanded trade. We have kept inflation down because we've kept our markets open and other people have been able to sell good quality products at lower prices in our markets. So we've had this huge growth with low inflation. I just want to make sure that ordinary people everywhere are benefitted by the trading system, and that the economy is not damaged by trading rules that could put short-term economic considerations over long-term environmental considerations.

So I'm very sympathetic with a lot of the causes being raised by all the people that are there demonstrating. And since this has now become a global society with global communications, as well as a global economy, I think it was unrealistic to assume that for the next 50 years, trade could be like it's been for the last 50 -- primarily the province of business executives and political leaders. I think more people are going to demand to be heard, and I think that's a good thing.

Q Mr. President, yesterday a report documented the problem of medical mistakes, and said that 44,000 Americans at least are killed every year because of these medical mistakes. What's your reaction to that, and is there anything that your administration is planning to do about it?

THE PRESIDENT: Well, you may remember that we had a task force a couple of years ago, headed by Secretary Herman and Secretary Shalala, which issued -- in fact, two reports -- one of them recommended the patients' bill of rights. The other set up a quality commission to deal with problems like this.

PRESIDENT CLINTON: TAKING NEW STEPS TO SUPPORT AMERICA'S PARENTS

November 30, 1999

"On the eve of the 21st century, we ought to set a goal that all working Americans can take time when they need it to care for their families without losing the income they need to support their families. Achieving that goal cannot come overnight and will require a significant shift in how our nation helps families to succeed at home and work. But it can make all the difference in your lives. It will demand thought and creativity, a willingness to experiment; it has to be done in a way that gives families flexibility and doesn't undermine our dynamic and growing economy."

--President Clinton, May 24, 1999

Today, President Clinton will announce a new rule that empowers states to develop ways of offering paid leave to parents following the birth or adoption of a child. Specifically, the proposed regulation will allow states to use their unemployment compensation systems to help offer paid leave to new parents. This innovative step builds on the President's longstanding efforts to support America's parents and strengthen America's working families.

MAKING PARENTAL LEAVE MORE AFFORDABLE. A 1996 study by the Commission on Family and Medical Leave found that the most significant reason why parents did not take advantage of unpaid leave after the birth or adoption of a child was the expected loss of income. Today, President Clinton will announce proposed regulations that will enable new parents, through the unemployment insurance system, to take leave without sacrificing the wages their families need. The rules respond to the President's Executive Memorandum of May 24, 1999, directing the Secretary of Labor to allow states the opportunity to experiment.

ENCOURAGING STATES TO CREATE MORE OPTIONS. Several states have asked the Administration whether they could have the authority to adapt their unemployment compensation systems for this purpose. This pilot program will be wholly voluntary for states, and states will have considerable flexibility in designing their own programs. The regulations will be published in the Federal Register for public comment and are also available for review on the Department of Labor's website at <http://www.dol.gov>.

HELPING PARENTS BALANCE RESPONSIBILITIES AT HOME AND AT WORK. Throughout his Administration, President Clinton has fought to provide families with the tools they need to meet their responsibilities both at home and at work. The President has:

- Signed the Family and Medical Leave Act, providing workers with up to 12 weeks of unpaid, job-protected leave;

- Fought for and won dramatic expansions in after-school programs, including \$450 million in the FY 2000 budget agreement, more than doubling the program's size;
- Fought for and won significant increases in Head Start, including \$607 million in the FY 2000 budget agreement, helping low-income toddlers prepare for school;
- Proposed a new tax credit for families struggling with long-term care costs;
- Put forward an ambitious initiative to make child care better, safer, and more affordable for working families; and
- Proposed expanding the FMLA to cover more workers and allow leave for more parental activities, including parent-teacher conferences and routine doctor's visits.

Q+A : NOT FOR DISTRIBUTION

BIRTH AND ADOPTION UNEMPLOYMENT COMPENSATION (UC)

Q&A

11/30/99 draft

Q: What is the Birth and Adoption UC initiative?

A: This effort responds to the President's Executive Memorandum issued May 24, 1999, directing the Secretary of Labor to allow States the opportunity to develop innovative ways of using UC to provide partial wage replacement to parents on leave following the birth or adoption of a child and to evaluate the effectiveness of using the UC system for these or related purposes. This regulation will permit interested States to experiment with methods for allowing the use of the UC program for this purpose.

Q: Will States be required to develop UC programs for parents of newborns and newly-adopted children?

A: No. State participation is wholly voluntary.

Q: Who will be eligible to receive UC for the birth or adoption of a child?

A: This experiment extends only to parents on approved leave or who otherwise leave their employment to be with newborns or newly-adopted children. Time taken for personal illness or to care for other family members is not compensable under this proposed program.

Q: When will parents be able to collect UC after the birth or adoption of a child?

A: It is difficult to predict when individuals will be able to collect UC to be with their newborns or newly-adopted children. The Department of Labor (Department) anticipates publication of a final regulation in early 2000. States may enact legislation authorizing a Birth and Adoption program based on this regulation. Each State's legislation would set the dates to begin operation of the program in its State.

Q: How will the regulation deal with such things as benefit amounts and employer costs?

A: The guiding principle of this regulation is to allow for maximum State flexibility within the experiment's parameters, as States currently have in determining UC policies. Consequently, each State will establish its own eligibility requirements and benefit

amounts. Although the model State legislation accompanying the proposed regulation socializes costs, each State will decide whether to spread costs broadly throughout the system or limit costs to the particular employers whose employees use this benefit.

Q: Why use the UC program for this type of paid leave? Don't States have other resources available to them?

A: While States may have other options available to them, legislation was introduced in several States during 1999 and prior years to make individuals on various types of family and medical leave eligible for UC. The President's directive to the Department essentially requires that States be provided the flexibility -- on a voluntary basis -- to pay UC to parents who take approved leave or otherwise leave employment after the birth or adoption of a child.

The proposed regulations for this experiment, within certain parameters, leave the specifics of each State plan to its legislature, which will need to pass specific amendments to the State UC laws to authorize such payments.

Q: Is the President exceeding his legal authority by proposing this change through regulation instead of in Congress?

A: No. The Department of Labor has the authority and responsibility to interpret Federal Unemployment Compensation (UC) statutes and has done so in the past with the UC program's requirements in such areas as jury duty, temporary layoffs, illness, and training.

The Administration is proposing to exercise this authority to examine how the UC system could help provide benefits for workers who take leave after the birth or adoption of a child. This pilot program would be voluntary, and is simply part of the Administration's overall effort to help working parents both on the job and at home.

Q: Why is this initiative limited to parents of newborns and newly-adopted children?

A: In following the President's directive, the Department is seeking to assist States that may want to use their UC systems to enable more parents to be with their newborns or newly-adopted children as part of an overall interest in supporting policies which help Americans balance the responsibilities of family and work.

Data from these State experiments will help to evaluate the proposition that providing UC to the parents of newborns and newly-adopted children who take approved leave or who otherwise leave their employment will increase their attachment to the labor force. In order to gain information on the impact of adapting the UC program to address the needs of such employees, the Department is defining the experimental program to cover the

parents of newborns and newly-adopted children. This class of employees is a small, easily-defined group that can be used to test whether compensating absences from employment will assist individuals in maintaining, or even improving upon, their connection to the workforce by enabling them to better meet their parental and family needs.

The Department believes the needs of parents in balancing work and family are an important area for experimentation. States will remain free to use other mechanisms, such as separate funds or a Temporary Disability program, to reach other populations.

Q: Would this change unfairly impact unemployed workers by draining resources away from the unemployed to provide for parents taking leave?

A: No. Each state has the responsibility to assess the cost to its unemployment fund whenever coverage changes, benefit expansions, or tax changes are considered within its UC program. Consequently, we expect prudent state decision-makers to examine the state's solvency and projected taxes and benefit payments under current law before deciding to enact any birth and adoption UC legislation.

Q: How much will this proposal cost?

A: The cost estimate, which is based on the voluntary nature of the experiment and the expressed interest of a small number of states, ranges from zero to \$76 million.

Q: Massachusetts also introduced a bill that would pay UC to individuals on family and medical leave. The estimated costs of that bill were \$200 million. How does this compare with the Department's estimate?

A: The Department's cost estimate which is based on the voluntary nature of the experiment coupled with the expressed interest of a small number of States and limited to those individuals who could be eligible for the birth and adoption experiment, ranges from zero to \$68 million. The Massachusetts cost estimate was based on a much broader group of potential recipients and includes costs for individuals who are on leave under the Family and Medical Leave Act and the State's maternity law, and others not covered by either law.

Q: In 1997 the Department of Labor, in response to a bill introduced in the Vermont legislature, stated that the UC program could not be used to pay leave taken under the Vermont family and parental leave program. Why has the Department changed its policy in this area?

A: The Vermont bill would have permitted all individuals taking leave for a variety of reasons under its family and parental leave program to receive UC. The Department interprets Federal UC law to require, in general, that individuals be able to work and be available for work to be eligible for UC. In response to changes in the workforce and societal needs, the Department is considering expanding its interpretation of "able and available" to permit the payment of UC to provide partial wage replacement to employees who take approved leave or otherwise leave their employment to be with their newborns or newly-adopted children. Because this would be an expansion of the Department's earlier interpretation, as set forth in the response to the Vermont proposal, the Department is issuing a notice of proposed rulemaking to permit the public to comment on the interpretation. The Department is proposing an experimental program, which would allow the Department to test whether providing parents with UC at this point in a child's life will help employees maintain, or even promote, their connection to the workforce.

Balancing work and family – toughest. There have been some states that have expressed interest in using the UI program to take a step to helping workers balance the needs of work and family. The DOL is using regulations to enable states to do this and in so doing to test whether or not this improves attachment to the labor force – to see if we have better workers because of programs of paid leave. To bond with parent, to develop stable child care systems – use these state experiments to test whether this is right. Are people more likely to maintain their labor force attachment.

draft

PRESIDENT CLINTON: TAKING NEW STEPS TO SUPPORT AMERICA'S PARENTS

November 30, 1999

Today, President Clinton will announce new steps to help workers meet their responsibilities to their jobs, and their more important responsibilities to their families. The President will announce new proposed regulations to enable states to provide partial wage replacement for new parents and an important new protection for parents in the federal workforce.

Making Parental Leave More Affordable. A 1996 study by the Commission on Family and Medical Leave found that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child. Today, President Clinton will announce new proposed regulations from the Department of Labor that will enable states to use their Unemployment Insurance (UI) programs to support parents taking leave to care for a newborn or adopted child. Several states have asked the Administration whether they could use the UI program for this purpose consistent with federal law. Once finalized, these new regulations will authorize states that wish to use unemployment insurance to assist new parents to put their plans into effect. This experimental program is designed to test the proposition that providing Unemployment Compensation to parents after birth or adoption will increase their attachment to the labor force by, for instance, enabling new parents to find stable child care arrangements and bonding with their new child. This new program will be wholly voluntary for the states, and states will have considerable flexibility to design their own programs. [The regulations will be published in the Federal Register for public comment and are also available for review on the Department of Labor's web site at www.dol.gov.]

5/24/99

- See Grambling speech for accomplishments -
you may want to tout Budget victories that
help parents balance work & family - e.g., more
than doubling \$ for after-school programs
and highlight areas still needing attention - child care, FICA
expansion, etc.
- See Florence speech for wk/family
language

BIRTH AND ADOPTION UNEMPLOYMENT COMPENSATION (UC)

Q&A

11/30/99 draft

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The Department believes the needs of parents in balancing work and family are an important area for experimentation. States will remain free to use other mechanisms, such as separate funds or a Temporary Disability program, to reach other populations.

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HEADLINE: Dispute Over Plan To Use Jobless Aid For Parental Leave

BYLINE: By ROBERT PEAR

DATELINE: WASHINGTON, Nov. 7

BODY:

A bitter struggle has erupted over a plan by President Clinton to allow states to pay unemployment benefits to workers who take time off to care for newborn infants.

White House officials said the change in policy, subsidizing unpaid leave for parents of newborns, could help millions of people struggling to balance the demands of work and family.

But employers and many state officials said Mr. Clinton was exceeding his legal authority, circumventing Congress and reversing six decades of government policy, which has held that people can get jobless benefits only if they are actively seeking work.

Just two years ago, the Labor Department told states they could not use the federal unemployment insurance trust fund to pay for maternity and paternity leave. Now, the administration is preparing new regulations that would allow the states to do so if they chose.

Employers said the president's policy would take money meant for jobless workers and give it to people who had jobs but chose to leave them temporarily.

Government data suggests that more than 650,000 people a year take parental leave under a 1993 law, the Family and Medical Leave Act. But the potential demand is much greater. The Labor Department says that 1.9 million working women have children under the age of 1.

Patrick J. Cleary, vice president of the National Association of Manufacturers, said of the president's plan: "This is the nuttiest idea we've seen in a long time. The administration is looking for a pile of cash to fulfill a political promise, and they found it in the unemployment trust fund. But that's an insurance fund, not a slush fund. It's for unemployed people. Workers on family leave are employed, not unemployed. We'll see bad times again some day, and when we go back to the trust fund, it'll be bust."

Legislators in several states, including Vermont and Massachusetts, have introduced bills to provide unemployment insurance to workers taking family leave. But officials who run the state programs are generally cool to the idea, fearing that it would change the focus of unemployment insurance and harm the trust fund.

James E. Finch, the unemployment insurance director in Utah, said: "President Clinton's plan represents a very substantial change in the bedrock core principles of the unemployment insurance program as it has been operated for 60 years. The foundation of the program is that benefits are paid to people who are unemployed through no fault of their own and who are actively seeking full-time work."

Under the 1993 law, people who work for a company with 50 or more employees are generally entitled to 12 weeks of unpaid leave to care for newborn children or sick relatives or to tend to medical problems of their own. Workers who take leave are legally entitled to return to their jobs or to equivalent positions with equivalent pay.

Jobless benefits vary from state to state, but average \$200 a week. Under the current system, state officials said, the cost of any additional benefit payments would be passed on to employers because they pay the taxes that finance the unemployment insurance program.

State officials estimate that paid leave for new parents could increase their unemployment insurance costs by 15 percent to 20 percent, depending on how many people seek benefits.

Advocates of paid family leave said the cost would be much lower. Moreover, they said, paid leave would benefit the economy by reducing absenteeism and the need for new parents to go on welfare.

Senior Republicans in Congress said the president should not make such a momentous change in policy by unilateral action. And they have sent letters to the White House urging him to reconsider.

In one such letter, Representative Bill Archer of Texas, the chairman of the Ways and Means Committee, and Representative Nancy L. Johnson of Connecticut told the president, "Your decision allowing states to use unemployment compensation to provide paid family leave pits out-of-work Americans against their neighbors who have jobs."

Mr. Clinton signaled his intention to rewrite federal policy in May, in a commencement address at Grambling State University in Louisiana, but he gave no details. Now the administration is preparing to announce the details, many of which have become known to experts in the field as the Labor Department writes new rules for the unemployment insurance program.

In announcing the rules, White House officials said, Mr. Clinton will present himself as the champion of a popular political cause, helping hard-pressed families while Congress sits on the sidelines.

Mr. Clinton is relying on an expansive view of executive authority. An analysis by the nonpartisan Congressional Research Service raises questions about that authority. Under federal law, it says, money withdrawn from the trust fund must be used "solely in the payment of unemployment compensation." Conceivably, it says, states could define "unemployment compensation" to include family leave, but that would conflict with the "legislative history and historical interpretation" of the program.

Business groups said they would challenge the new policy in court if the president formally adopted it.

The federal unemployment insurance program was created in 1935 as part of the Social Security Act. Under longstanding interpretations of the law, people are eligible for jobless benefits only if they are involuntarily unemployed, able to work and available for work.

The Labor Department's Web site describes who is eligible: "You must be available for work. This means that you are ready to start a job immediately. It also means you have transportation and do not have to remain at home to care for children."

Supporters of paid family leave like Maurice Emsellem, a lawyer at the National Employment Law Project, said states could make exceptions to this requirement. Within the framework of federal law, those supporters said, states have wide latitude in setting eligibility standards, benefit levels and tax rates. Moreover, they said, since the New Deal, states have been allowed and even encouraged to experiment with unemployment compensation.

Senator Christopher J. Dodd, an author of the 1993 family leave law, said it had been a boon to millions of new parents, allowing them to bond with their children before returning to work. But Mr. Dodd, Democrat of Connecticut, said that many people who needed family leave did not take it because they could not afford to go without a paycheck.

Low-wage workers who take unpaid leave often "wind up on public assistance," he said.

Labor unions and women's groups, led by the National Partnership for Women and Families, are lobbying state legislators to provide some type of income, subsidies or tax breaks for workers who take family leave. The new federal policy clears the way for such state action.

Richard A. Hobbie of the Interstate Conference of Employment Security Agencies, a national organization of state labor officials, said: "In general, our members have been opposed to the president's proposal, not because they oppose the concept of paid family leave, but because they believe it's inappropriate to use the unemployment insurance system for that purpose. State officials would argue that workers on family leave ought to be able to get benefits under some other government program or from employers."

Thomas W. Douse, the unemployment insurance director for Vermont, said that paying jobless benefits to new parents "would lead to an automatic increase in employer taxes" because benefit payments in the state would probably increase by 20 percent, or \$9 million a year.

"To be sure," Mr. Douse said, "we have a strong trust fund right now, but the whole purpose of the trust fund is that you raise money in good times so it will be available in bad economic times."

Employers said the president's proposal could deplete the trust fund. But Mr. Emsellem, from the National Employment Law Project, said that with the jobless rate at a 29-year low, many states had healthy surpluses in their trust fund accounts and could afford to expand unemployment insurance.

"Businesses criticize the president's proposal as a raid on the trust fund, even as they lobby successfully for cuts in state unemployment insurance taxes," Mr. Emsellem said. "That's hypocritical."

Thomas S. Whitaker, deputy chairman of the North Carolina Employment Security Commission, said he liked Mr. Clinton's initiative because it allowed states to decide for themselves whether to pay unemployment compensation to workers taking parental leave.

"If states don't want to do it, they don't have to," Mr. Whitaker said. "I hope the Labor Department takes that approach on other issues."

<http://www.nytimes.com>



Donna Lenhoff <dlenhoff@nationalpartnership.org>

11/09/99 06:09:13 PM

Record Type: Record

To: Nicole R. Rabner/WHO/EOP

cc:

Subject: yesterday's NY Times piece on using UI for family-leave income

As many of you know, yesterday the Times published a piece by Robert Pear, "Dispute Over Plan to Use Jobless Aid for Parental Leave." I thought you'd be interested in seeing the letter to the editor that we sent today in response:

To: Letters to the Editor, The New York Times (fax 212/556-3622)
From: Judith L. Lichtman, President, National Partnership for Women & Families
Date: November 9, 1999
Re: Response to November 8 article,
ADispute Over Plan to Use Jobless Aid for Parental Leave@

In "Dispute Over Plan to Use Jobless Aid for Parental Leave" (Robert Pear, November 8), several employers and state officials insisted that letting working Americans collect unemployment insurance while on unpaid family leave would jeopardize the unemployment system. These knee-jerk scare tactics needlessly pit people temporarily out of work against each other, and they deliberately ignore the urgent need for income during family leave, the economic reality of state unemployment trust funds, and the weight of public opinion.

Although the unpaid leave provided by the Family and Medical Leave Act has helped many Americans, cost is the main reason why people who need leave do not take it. Nearly one in ten of those who take unpaid leave must resort to public assistance to make ends meet.

Meanwhile, many state unemployment funds are flush enough to cover not only unemployment in a recession, but also the cost of this small expansion --with no additional levies on employers. In Massachusetts, using unemployment insurance to provide some income during both family and medical leave is estimated to cost a mere \$1.25 per covered worker per week. In fact, unemployment tax cuts sought by Massachusetts business interests could cover the entire cost.

No wonder most Americans --79% --support giving states the chance to extend unemployment or temporary disability insurance to workers on unpaid family leave. Given the strength of our economy and our unemployment system, there is no reason why so many working women and men must still "choose" between their families and financial crisis.

contact information: Judith L. Lichtman, President
National Partnership for Women & Families
1875 Connecticut Ave., NW, Suite 710
Washington, DC 20009
(o) 202/986-2600, (h) 202/686-9448

Ellen Goodman

Why Not Paid Leave?

It's the sort of move we have come to associate with the Commander in Chief of Incrementalism. President Clinton doesn't stride in to policymaking—he minces. He takes one teeny step at a time, extending a bit of health coverage for kids here, a touch of child care there.

In return, the Democratic Party has been rewarded—overrewarded—with the terminal gratitude of women and a reputation as the party that cares about working families.

Now the president is at it again. He's trying to come through on a laudable promise to help parents who work take care of their newborn children. He's trying to change the rules to allow states to pay unemployment compensation for maternity and paternity leave.

Paid parental leave—can we drop the gender-neutral language for a moment and call it what it is, maternity leave?—is one of those ideas whose time has come to virtually every advanced economy. But not to our own.

It took Congress an entire eight years just to get family and medical leave. That gave half the workers in the country the right to 90 days of unpaid leave to care for newborns, for critically ill family members and even themselves, without losing their jobs. Every time supporters try to extend this measly coverage, a Republican majority in Congress starts foaming at the Capitol Dome.

Today some 650,000 parents a year—nearly all of them moms—take parental leave. But the reason most go back to work before their leave is up is obvious: They can't afford it.

In a way, the Family and Medical Leave Act describes the Family and Medical Limbo of new mothers: the women who use it are neither exactly employed nor exactly unemployed. If these women were still on the job, they'd still get paychecks. If, on the other hand, these women lost their jobs, they'd be eligible for unemployment compensation.

What the Clinton plan would do is allow states to treat them as if they were laid off from the very jobs they will go back to.

I confess that I'm in favor of getting paid leave any way we can. I cringe when Jerry Jasinowski, president of the National Association of Manufacturers, describes new parents as "voluntarily stepping out of the work force." Having children is cast as a personal, if quirky, choice, sort of like leaving work for a while to learn the Japanese tea ceremony.

But I am uncomfortable with the end run around this issue. Treating the care of newborns as unemployment, treating maternity leave as a layoff, not only stretches the meaning of the unemployment trust fund; it allows us to play let's pretend. We can once again avoid looking at the reality of family caregiving as an essential, continuing part of every life. It doesn't begin or end with the layette. We turn away from "seeing" the whole picture: the collapse of the caretaking system.

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Birth and Adoption Unemployment Compensation (NPRM) SUMMARY

Overview of Regulation: The regulation creates an opportunity for State agencies that administer the Unemployment Compensation (UC) programs 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. State participation is wholly voluntary and will require States to enact enabling legislation to participate. This effort responds to the President's Executive Memorandum issued May 24, 1999, directing the Secretary of Labor to allow States the opportunity to develop innovative ways of using UC to support parents taking leave to be with their newborns or newly-adopted children and to evaluate the effectiveness of using the UC system for these or related purposes.

Congressional Interest: There is a great deal of congressional interest in this issue. Senators Kennedy and Dodd are strong advocates for compensating individuals who leave work to meet family obligations. They believe that DOL should reinterpret Federal law to allow States to compensate leave through the UC program, but are likely to find this NPRM too narrow in scope in that it provides compensation only for those leaving employment to be with newborns and newly-adopted children. They support programs which are broader, essentially providing compensation to those eligible under the Family and Medical Leave Act. In this regard, Senator Dodd introduced S. 1355 (with co-sponsors Kennedy, Leahy, Murray) which would establish demonstration projects to provide income to respond to significant family transitions. On the other hand, Representatives Archer, Ballenger, Goodling, and Johnson have written the President indicating their strong opposition; they raise such issues as implementing the program through regulations rather than legislation and using UC funds for family leave benefits, thereby pitting jobless workers against those taking voluntary leave from employment.

Summary of the Regulation

The Federal-State UC System: States collect State UC taxes used to pay compensation. The Federal government collects taxes, used for grants for State UC administration, under the Federal Unemployment Tax Act (FUTA).

Able and Available: DOL has long interpreted Federal UC law to require that claimants be able to and available for work. DOL previously exercised its authority to interpret the able and available requirements in the areas of training, illness, jury duty, and temporary layoffs. Based on this precedent, DOL interprets "able and available" to allow the an experimental the UC program where workers taking leave during the first year following birth or placement for adoption of a child are provided UC.

Experimental Program: DOL chose to proceed with an experimental rather than a permanent program in order to test the proposition that providing UC to the parents of newborns and newly-adopted children who wish to take approved leave or otherwise leave their employment will increase their attachment to the workforce. The DOL will begin collecting administrative data immediately upon implementation of the program. DOL will evaluate each State individually,

but a comprehensive evaluation will not be completed until four States have implemented legislation and operated a BAA-UC program for a minimum of three years. The Federal evaluation methodology has not yet been completed

Implementation at the State Level: States may enact legislation and begin operation of a BAA-UC program any time after the effective date of the Final Rule. States can enact legislation prior to completion of the rulemaking process, but would need a contingency provision in their legislation allowing for any necessary changes to comply with Federal regulations prior to implementation of their program. Model legislation is provided, but is optional and is for the convenience of States that choose to implement a BAA-UC program.

Legislation has been introduced in five States— Maryland, Massachusetts, New York, Vermont, and Washington – during this and prior years to provide UC to workers on some form of leave to meet family obligations. In Massachusetts and New York the bills remain in committee, while the legislatures adjourned without action in the other States. Note that legislators in New York are also considering using the Temporary Disability Insurance Program (TDI) instead of UC. Worker advocates in these States and others strongly support permitting States to use the UC program for such purposes.

Parameters in the Rule: States have wide latitude in implementing the program, but certain parameters apply:

- **Eligibility.** Only parents of newborns or newly-adopted children are included in the experiment. Also, states are prohibited from introducing eligibility factors unrelated to the fact or cause of unemployment, such as industry, employer size or whether the spouse of a UC recipient also receives (or has received) UC. Finally, all individuals covered by the State's UC law must also be covered for Birth and Adoption unemployment compensation.

- **Timing.** The first compensable week is the week in which birth or placement for adoption takes place. Weeks preceding the week of the birth or placement and weeks following the end of the one-year period are not compensable.

- **Definition of "Newborns" and Newly Adopted Children:** *Newborns* means children up to one-year old, and *Newly-adopted children* means children, regardless of age, who have been placed within the previous 12 calendar months with an adoptive parent(s). Placement occurs at the time a parent becomes legally responsible for a child pending adoption

Suggested Parameters in the Model Legislation and Q's and A's: DOL provides non-binding guidance on how states can set up there programs.

Model Legislation:

- **Timing.** UC can only be provided for a maximum of 12 weeks. (Model Leg.)
- **Deductions in UC.** UC paid to the parent is deducted by payments from the employer resulting from a birth or adoption described and payments from a disability insurance plan contributed to by an employer, in proportion to the employer's contribution to such plan.

- Non-charging. Compensation paid under this section shall not be charged to the account of the individual employer.

- State self evaluation. State agency shall issue a report to the governor and the legislature evaluating the effectiveness of the program.

Q's and A's:

- Payment for other Types of Leave. Payment of UC for other types of family leave is inconsistent with the program.

- Exhausting other Paid Leave. All employer-paid leave need not be exhausted before US is available.

- Solvency. While solvency not required, decision makers should examine the State's solvency position and projected taxes and benefit payments under current law before deciding to enact BAA-UC legislation.

- Both Parents. Both parent may receive UC and they may receive it at the same time. A State may not prohibit payment of BAA-UC simply because the other parent is taking leave for the same purpose.

- Eligibility. Eligibility under this program should not be based on whether an employer is required to grant the leave, but on the parent's reason for wanting to take the leave. Also, eligibility may be conditioned on whether the individual gave notice to the employer and on whether the individual chooses not to return to work.

Excerpts from "A Workable Balance: Report to Congress on Family and Medical Leave Policies"

"Many infants are born into homes where both parents work. The American Academy of Pediatrics notes that infants (whether biological, adopted or foster children) are particularly vulnerable during the first few months of life, and require the active involvement of a parent or primary caregiver in the nurturing process. An infant's physical, cognitive and social development depend on establishing a strong attachment to its parents or primary caregiver. For parents to fulfill these important developmental needs, time off from work is often needed." p. 9.

"To the extent that it is possible to generalize across the public and private sectors, it appears that paid maternity leave was more available to employees with relatively high levels of skills and income." p. 43 [So those that would need the income the most, low paid workers, wouldn't be those ones who would get it so baby ui would help them.] See p. 42 for more maternity/paternity leave stats.

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**PRESIDENT CLINTON: HELPING PARENTS
MEET THEIR RESPONSIBILITIES AT HOME AND AT WORK**

May 23, 1999

Today, in a commencement speech at Grambling State University, President Clinton will announce new steps to help workers meet their responsibilities to their jobs, and their more important responsibilities to their families. The President will put forward two new proposals to make leave more affordable for American workers. In addition, he will release a new report that examines the "time crunch" that parents increasingly feel as they struggle to balance their responsibilities at home and at work.

Working to Make Parental Leave More Affordable. A 1996 study by the Commission on Family and Medical Leave found that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child. Today, President Clinton will direct the Secretary of Labor to propose new regulations and model state legislation to enable states to develop innovative ways of using the Unemployment Insurance (UI) system to support parents taking leave to care for a newborn or adopted child. Several States recently have asked the Administration whether they could use the UI system for this purpose consistent with federal law. The new regulations will authorize this expansion of the UI system, thereby allowing states that wish to use unemployment insurance to assist new parents to put their plans into effect.

Enabling Federal Workers to Take Paid Leave to Care for Sick Family Members. In an effort to set an example for all employers, President Clinton also today will direct the Office of Personnel Management (OPM) to revise its government-wide regulations to allow federal employees to use up to 12 weeks of accrued sick leave each year to care for a spouse, son, daughter, or parent with a "serious health condition," as that term is defined for the purpose of applying the Family and Medical Leave Act. Currently, the amount of sick leave that can be used to care for a family member who is ill is limited to 13 days each year for most federal employees. By enabling federal workers to use more of the sick leave they have earned, according to conditions established by the FMLA, this measure will remove a significant barrier to caring for an ill family member. The President also has directed the OPM to establish an Interagency Family Friendly Workplace Working Group to develop, promote, and evaluate federal family-friendly workplace initiatives. The President previously has taken other actions to ensure that federal government is a model employer, including: allowing federal employees to donate annual leave to other employees; expanding flexible family-friendly work arrangements, such as job sharing, career part-time employment, alternative work schedules, telecommuting, and satellite work locations; and directing improvements in the quality of federally sponsored child care.

A New Study on the Amount of Time Available for Families. The President will release a report by his Council of Economic Advisers (CEA) today that details the factors that have led to decreased amounts of time available for parents to spend with their children. The report, *Families and the Labor Market, 1969-1999: Analyzing the "Time Crunch,"* demonstrates that the increase in hours mothers spend in paid work, combined with the shift toward single-parent families, has resulted in families experiencing an average decrease of 22 hours a week (14

percent) in time that parents spend with their children. The report concludes that the increased time at work among parents requires policy-makers to seek new ways to promote strong families, including greater flexibility in paid work hours, more affordable child care, better support for families with low-wage earning parents, and methods for encouraging two-parent families to form and stay together.

Advancing An Agenda To Help Parents Balance Their Responsibilities At Home And At Work. In his balanced budget request, the President put forward a bold agenda to provide families with greater tools to meet their responsibilities at home and at work. This agenda includes: an historic initiative to make child care better, safer, and more affordable for working families; a tripling of our investment in after-school programs through the 21st Century Community Learning Center program; a new tax credit to help Americans struggling with long-term care costs; and proposals to expand the Family and Medical Leave law to cover more workers and allow leave for more parental activities, including parent-teacher conferences and routine doctor's visits.

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BIRTH AND ADOPTION UNEMPLOYMENT COMPENSATION (UC)
QUESTIONS AND ANSWERS
Revised 11/04/99

1. What is the Birth and Adoption UC initiative?

This effort responds to the President's Executive Memorandum issued May 24, 1999, directing the Secretary of Labor to allow States the opportunity to develop innovative ways of using UC to provide partial wage replacement to parents on leave following the birth or adoption of a child and to evaluate the effectiveness of using the UC system for these or related purposes. This regulation will permit interested States to experiment with methods for allowing the use of the UC program for this purpose.

2. Will States be required to develop UC programs for parents of newborns and newly-adopted children?

No. State participation is wholly voluntary.

3. Who will be eligible to receive UC for the birth or adoption of a child?

This experiment extends only to parents on approved leave or who otherwise leave their employment to be with newborns or newly-adopted children. Time taken for personal illness or to care for other family members is not compensable under this proposed program.

4. When will parents be able to collect UC after the birth or adoption of a child?

It is difficult to predict when individuals will be able to collect UC to be with their newborns or newly-adopted children. The Department of Labor (Department) anticipates publication of a final regulation in early 2000. States may enact legislation authorizing a Birth and Adoption program based on this regulation. Each State's legislation would set the dates to begin operation of the program in its State.

5. How will the regulation deal with such things as benefit amounts and employer costs?

The guiding principle of this regulation is to allow for maximum State flexibility within the experiment's parameters, as States currently have in determining UC policies. Consequently, each State will establish its own eligibility requirements and benefit amounts. Although the model State legislation accompanying the proposed regulation socializes costs, each State will decide whether to spread costs broadly throughout the system or limit costs to the particular employers whose employees use this benefit.

6. Why use the UC program for this type of paid leave? Don't States have other resources available to them?

While States may have other options available to them, legislation was introduced in several States during 1999 and prior years to make individuals on various types of family and medical leave eligible for UC. The President's directive to the Department essentially requires that States be provided the flexibility -- on a voluntary basis -- to pay UC to parents who take approved leave or otherwise leave employment after the birth or adoption of a child.

The proposed regulations for this experiment, within certain parameters, leave the specifics of each State plan to its legislature, which will need to pass specific amendments to the State UC laws to authorize such payments.

7. Under what authority is the Department issuing these regulations to permit this use of UC funds? And why is the Department issuing regulations and not seeking legislation as some members of Congress have suggested?

The Department has the authority and responsibility to interpret Federal UC statutes and has done so in the past with respect to its interpretation of the UC program's requirements that beneficiaries be able to work and available for work in such areas as jury duty, temporary layoffs, illness, and training.

Therefore, in response to the President's Executive Memorandum, the Department is proposing to exercise this authority to implement an experimental program to examine the use of the UC system to provide benefits for workers who take approved leave or otherwise leave employment after the birth or adoption of a child.

8. Why is this initiative limited to parents of newborns and newly-adopted children?

In following the President's directive, the Department is seeking to assist States that may want to use their UC systems to enable more parents to be with their newborns or newly-adopted children as part of an overall interest in supporting policies which help Americans balance the responsibilities of family and work.

Data from these State experiments will help to evaluate the proposition that providing UC to the parents of newborns and newly-adopted children who take approved leave or who otherwise leave their employment will increase their attachment to the labor force. In order to gain information on the impact of adapting the UC program to address the needs of such employees, the Department is defining the experimental program to cover the parents of newborns and newly-adopted children. This class of employees is a small, easily-defined group that can be used to test whether compensating absences from employment will assist individuals in maintaining, or even improving upon, their connection to the workforce by enabling them to better meet their parental and family needs.

The Department believes the needs of parents in balancing work and family are an important area for experimentation. States will remain free to use other mechanisms, such as separate funds or a Temporary Disability program, to reach other populations.

9. **Some critics of the President's directive cite the Department's own concerns about State unemployment fund solvency as a reason not to allow States the flexibility to offer these benefits. Will these regulations undermine fund solvency?**

No. The Department expects that a State will not enact changes without assessing the effect on the solvency of its unemployment fund. Each State has the responsibility to assess the cost to its unemployment fund whenever coverage, benefit expansions, or tax changes are considered within its UC program. Consequently, the Department expects prudent State decision makers to examine the State's solvency and projected taxes and benefit payments under current law before deciding to enact Birth and Adoption UC legislation.

10. **In 1997 the Department of Labor, in response to a bill introduced in the Vermont legislature, stated that the UC program could not be used to pay leave taken under the Vermont family and parental leave program. Why has the Department changed its policy in this area?**

The Vermont bill would have permitted all individuals taking leave for a variety of reasons under its family and parental leave program to receive UC. The Department interprets Federal UC law to require, in general, that individuals be able to work and be available for work to be eligible for UC. In response to changes in the workforce and societal needs, the Department is considering expanding its interpretation of "able and available" to permit the payment of UC to provide partial wage replacement to employees who take approved leave or otherwise leave their employment to be with their newborns or newly-adopted children. Because this would be an expansion of the Department's earlier interpretation, as set forth in the response to the Vermont proposal, the Department is issuing a notice of proposed rulemaking to permit the public to comment on the

interpretation. The Department is proposing an experimental program, which would allow the Department to test whether providing parents with UC at this point in a child's life will help employees maintain, or even promote, their connection to the workforce.

11. **Massachusetts also introduced a bill that would pay UC to individuals on family and medical leave. The estimated costs of that bill were \$200 million. How does this compare with the Department's estimate?**

The Department's cost estimate which is based on the voluntary nature of the experiment coupled with the expressed interest of a small number of States and limited to those individuals who could be eligible for the birth and adoption experiment, ranges from zero to \$68 million. The Massachusetts cost estimate was based on a much broader group of potential recipients and includes costs for individuals who are on leave under the Family and Medical Leave Act and the State's maternity law, and others not covered by either law.

**Legislative sessions of States which have expressed interest in and potentially may enact
Birth and Adoption Unemployment Compensation legislation:**

<u>State</u>	<u>Convenes</u>	<u>Adjourns</u>
Vermont	Jan. 5	Early May
Washington	Jan. 10	March 9
Maryland	Jan. 12	April 10
Mass	Jan. 5	No set date

FAX to Nicole Rabner (2pp)
456-2878

I wanted to alert you to a development. UI staff have notified me that the ETA Boston Regional Office apparently received a message from a Vermont state official that Robert Pear, of the NY Times Washington Bureau, called for a copy of the letter which the Department sent to Vermont in March of 1997. This was the letter where we stated that the State could not use their UI program to pay for family leave as it would violate our long-standing interpretation of the "able and available" principle.

This is essentially the position which the President directed us to re-interpret in May of this year, and the subject of the "Birth and Adoption" regulations now pending at OMB.

Yesterday a group of business organizations places a large ad in Roll Call opposing the new policy, and it seems that they are shopping the story.

Of course, we have another side to this story, and there are a number of advocacy organizations, as well as members of Congress (Kennedy and Dodd in the forefront) who might also present a more balanced view. I don't know whether Pear has reached out to them or to us, but wanted to flag this for you.

The Roll Call Ad follows (didn't have your FAX # yesterday, but thought you would want to see this)

Teri Bergman at OCIA/DOL
693-4600

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!

CONTACT US TODAY.

Eric Oxfeld
oxfelde@UWCstrategy.org
(202) 682-1515

Deanna Gelak
workfuture@aol.com
(703) 256-0829

The UI Working Group Members

UWC — Strategic Services on Unemployment & Workers' Compensation
FMLA Technical Corrections Coalition
Society for Human Resource Management
National Association of Manufacturers
U.S. Chamber of Commerce
American Society for Healthcare Human Resources Administration
Michigan Health and Hospital Association
National Federation of Independent Business
Printing Industries of America
International Mass Retail Association

www.UWCstrategy.org

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.

**UI-BAC Notice of Proposed Rule-Making
CONTACT LIST**

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Grace Kilbane, DOL UI program director

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Donna Lenhoff, National Partnership for Women and Families

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202-362-5916 (h)

Email: dlenhoff@nationalpartnership.org

Holly Fechner, Sen. Kennedy's office

Ph: 202-224-5441

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Suzann Day, Sen. Dodd's office

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Birth and Adoption Unemployment Compensation (NPRM) SUMMARY

Overview of Regulation: The regulation creates an opportunity for State agencies that administer the Unemployment Compensation (UC) programs 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. State participation is wholly voluntary and will require States to enact enabling legislation to participate. This effort responds to the President's Executive Memorandum issued May 24, 1999, directing the Secretary of Labor to allow States the opportunity to develop innovative ways of using UC to support parents taking leave to be with their newborns or newly-adopted children and to evaluate the effectiveness of using the UC system for these or related purposes.

Congressional Interest: There is a great deal of congressional interest in this issue. Senators Kennedy and Dodd are strong advocates for compensating individuals who leave work to meet family obligations. They believe that DOL should reinterpret Federal law to allow States to compensate leave through the UC program, but are likely to find this NPRM too narrow in scope in that it provides compensation only for those leaving employment to be with newborns and newly-adopted children. They support programs which are broader, essentially providing compensation to those eligible under the Family and Medical Leave Act. In this regard, Senator Dodd introduced S. 1355 (with co-sponsors Kennedy, Leahy, Murray) which would establish demonstration projects to provide income to respond to significant family transitions. On the other hand, Representatives Archer, Ballenger, Goodling, and Johnson have written the President indicating their strong opposition; they raise such issues as implementing the program through regulations rather than legislation and using UC funds for family leave benefits, thereby pitting jobless workers against those taking voluntary leave from employment.

Summary of the Regulation

The Federal-State UC System: States collect State UC taxes used to pay compensation. The Federal government collects taxes, used for grants for State UC administration, under the Federal Unemployment Tax Act (FUTA).

Able and Available: DOL has long interpreted Federal UC law to require that claimants be able to and available for work. DOL previously exercised its authority to interpret the able and available requirements in the areas of training, illness, jury duty, and temporary layoffs. Based on this precedent, DOL interprets "able and available" to allow the an experimental the UC program where workers taking leave during the first year following birth or placement for adoption of a child are provided UC.

Experimental Program: DOL chose to proceed with an experimental rather than a permanent program in order to test the proposition that providing UC to the parents of newborns and newly-adopted children who wish to take approved leave or otherwise leave their employment will increase their attachment to the workforce. The DOL will begin collecting administrative data immediately upon implementation of the program. DOL will evaluate each State individually,

but a comprehensive evaluation will not be completed until four States have implemented legislation and operated a BAA-UC program for a minimum of three years. The Federal evaluation methodology has not yet been completed

Implementation at the State Level: States may enact legislation and begin operation of a BAA-UC program any time after the effective date of the Final Rule. States can enact legislation prior to completion of the rulemaking process, but would need a contingency provision in their legislation allowing for any necessary changes to comply with Federal regulations prior to implementation of their program. Model legislation is provided, but is optional and is for the convenience of States that choose to implement a BAA-UC program.

Legislation has been introduced in five States— Maryland, Massachusetts, New York, Vermont, and Washington – during this and prior years to provide UC to workers on some form of leave to meet family obligations. In Massachusetts and New York the bills remain in committee, while the legislatures adjourned without action in the other States. Note that legislators in New York are also considering using the Temporary Disability Insurance Program (TDI) instead of UC. Worker advocates in these States and others strongly support permitting States to use the UC program for such purposes.

Parameters in the Rule: States have wide latitude in implementing the program, but certain parameters apply:

- **Eligibility.** Only parents of newborns or newly-adopted children are included in the experiment. Also, states are prohibited from introducing eligibility factors unrelated to the fact or cause of unemployment, such as industry, employer size or whether the spouse of a UC recipient also receives (or has received) UC. Finally, all individuals covered by the State's UC law must also be covered for Birth and Adoption unemployment compensation.

- **Timing.** The first compensable week is the week in which birth or placement for adoption takes place. Weeks preceding the week of the birth or placement and weeks following the end of the one-year period are not compensable.

- **Definition of "Newborns" and Newly Adopted Children:** *Newborns* means children up to one-year old, and *Newly-adopted children* means children, regardless of age, who have been placed within the previous 12 calendar months with an adoptive parent(s). Placement occurs at the time a parent becomes legally responsible for a child pending adoption

Suggested Parameters in the Model Legislation and Q's and A's: DOL provides non-binding guidance on how states can set up there programs.

Model Legislation:

- **Timing.** UC can only be provided for a maximum of 12 weeks. (Model Leg.)
- **Deductions in UC.** UC paid to the parent is deducted by payments from the employer resulting from a birth or adoption described and payments from a disability insurance plan contributed to by an employer, in proportion to the employer's contribution to such plan.

- Non-charging. Compensation paid under this section shall not be charged to the account of the individual employer.

- State self evaluation. State agency shall issue a report to the governor and the legislature evaluating the effectiveness of the program.

Q's and A's:

- Payment for other Types of Leave. Payment of UC for other types of family leave is inconsistent with the program.

- Exhausting other Paid Leave. All employer-paid leave need not be exhausted before US is available.

- Solvency. While solvency not required, decision makers should examine the State's solvency position and projected taxes and benefit payments under current law before deciding to enact BAA-UC legislation.

- Both Parents. Both parent may receive UC and they may receive it at the same time. A State may not prohibit payment of BAA-UC simply because the other parent is taking leave for the same purpose.

- Eligibility. Eligibility under this program should not be based on whether an employer is required to grant the leave, but on the parent's reason for wanting to take the leave. Also, eligibility may be conditioned on whether the individual gave notice to the employer and on whether the individual chooses not to return to work.

► Daniel I. Werfel
10/20/99 03:21:22 PM
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Record Type: Record

To: Nicole R. Rabner/WHO/EOP@EOP

cc: Carole Kitti/OMB/EOP@EOP, Debra J. Bond/OMB/EOP@EOP, Stuart Shapiro/OMB/EOP@EOP, Larry R. Matlack/OMB/EOP@EOP

Subject: BAA-UC

FYI, to give you a sense of the timing of publishing in the Fed Reg.

The Federal Register will most likely need 4 working days from the time they get the final document. Thus, if we get it to them tomorrow AM, then the earliest publication date would be Tuesday, Oct. 26.

▶ Daniel I. Werfel
10/15/99 10:40:33 AM
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Record Type: Record

To: Debra J. Bond/OMB/EOP@EOP, Carole Kitti/OMB/EOP@EOP, Nicole R. Rabner/WHO/EOP@EOP
cc: Larry R. Matlack/OMB/EOP@EOP, John F. Morrall III/OMB/EOP@EOP, Stuart Shapiro/OMB/EOP@EOP
Subject: more on progress on BAA-UC regs

I agree with Nicole that to the extent we can use the momentum gained to resolve all issues, we should. Below are DOL's latest proposals on the 2 policy issues.

----- Forwarded by Daniel I. Werfel/OMB/EOP on 10/15/99 10:39 AM -----



Bergman Terry <bergman-terry@dol.gov>
10/15/99 10:26:34 AM

Record Type: Record

To: Daniel I. Werfel/OMB/EOP
cc: Carole Kitti/OMB/EOP
Subject: more on progress on BAA-UC regs

As I indicated in my conversation this morning, we have our UI staff working on a document which reflects both our September 17 response and subsequent conversations about language. We believe this should facilitate the finalizing of language for the NPRM and will get you something as early today as possible.

On the two policy questions still on the table, we have looked at the legislative schedule of the States, and assuming that the interested legislatures will work off the NPRM, we believe that a 45-day comment period is possible. We suggest the use of 45 days with some language that the shorter comment period is to facilitate the consideration of State laws in legislatures in their next sessions. The interaction of the 60 day period and the holiday season would not provide states with any certainty on the final rule and would pose a problem.

On the other issue we have discussed, we continue to have problems with any model legislation provision which includes a solvency trigger and firmly believe that states should -- and will -- look at solvency before adopting this program. We cannot see how adding an additional state to the cost estimate has any relevance to this argument (in fact, it seems to run counter to the position that states with questionable solvency will adopt the program) and the UI staff believes that the current cost estimate is our best assessment of expected behavior of the States. In fact, if we go to 60

days, we may argue that WA and MD should be dropped from the calculations, since they will not reasonably have the benefit of a final rule prior to adjournment.

However, we do believe that additional language on solvency is prudent and I have made some changes to the Commentary Q and A which we suggested in our Sept 17 response.

Q. Will these regulations undermine fund solvency?

A. No. Experience shows that The Department expects that States will not enact changes without assessing the effect on its unemployment fund's solvency. Each State has the responsibility to assess the cost to the State's unemployment fund whenever coverage, benefit expansions, or tax changes are considered within the State's Unemployment Compensation program.

Alternatively, we could use language suggested by OMB in recent conversations --

Q. Does this regulation impose any solvency requirements upon the States before they enact BAA-UC?

A. No. The DOL has no authority to impose a solvency standard on the States. However, the DOL believes prudent decision makers in State will examine the State's solvency position and projected taxes and benefit payments under current programs prior to a decision to adopt BAA-UC legislation. Adoption of BAA-UC should not jeopardize the ability of a State to pay benefits to those eligible under current law.

Neither of these have legal force, but neither does a provision in model legislation. Either, or some combination of the two, would reflect our belief -- and state practice -- in assessing solvency prior to adopting new provisions. If you want to try some combination of these, I will run any language by our UI folks and I'm sure we can agree on something.

As I mentioned, Grace, Jerry and I are on the Hill this morning, but we have staff working on the document...we may need to discuss some type of concurrent review by our attorneys and OMB if we are to have a chance of finalizing today.