

FY 2011

CONGRESSIONAL BUDGET JUSTIFICATION

EMPLOYMENT AND TRAINING ADMINISTRATION

State Paid Leave Fund

STATE PAID LEAVE FUND

TABLE OF CONTENTS

Appropriation Language1
Explanation of Language2
Amounts Available for Obligation.....3
Summary of Changes4
Summary Budget Authority and FTE by Activity5
Budget Authority by Object Class6
Budget Activities7
 State Paid Leave Fund7

STATE PAID LEAVE FUND

APPROPRIATION LANGUAGE

For grants to assist in the start-up of new paid leave programs in the States, \$50,000,000, of which the Secretary may reserve not more than 1 percent for administration related to such grants.

STATE PAID LEAVE FUND

EXPLANATION OF LANGUAGE CHANGE

This is a new appropriation. Under this new initiative, grants would assist states in planning and start-up activities relating to paid leave programs.

STATE PAID LEAVE FUND

AMOUNTS AVAILABLE FOR OBLIGATION								
(Dollars in Thousands)								
	FY 2009 Enacted		Recovery Act		FY 2010 Enacted		FY 2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	0	0	0	0	0	0	4	0
Other Supplementals and Rescissions	0	0	0	0	0	0	0	0
Appropriation, Revised	0	0	0	0	0	0	4	50,000
Subtotal Appropriation	0	0	0	0	0	0	4	50,000
Comparative Transfer To:	0	0	0	0	0	0	0	0
Comparative Transfer From:	0	0	0	0	0	0	0	0
Offsetting Collections From:	0	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0
Advances	0	0	0	0	0	0	0	0
Fees	0	0	0	0	0	0	0	0
Subtotal Offsetting Collections From:	0	0	0	0	0	0	0	0
B. Gross Budget Authority	0	0	0	0	0	0	4	50,000
Offsetting Collections	0	0	0	0	0	0	0	0
Deduction	0	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0
Advances	0	0	0	0	0	0	0	0
Subtotal Offsetting Collections	0	0	0	0	0	0	0	0
C. Budget Authority	0	0	0	0	0	0	4	50,000
Before Committee	0	0	0	0	0	0	0	50,000
Legislative Proposal	0	0	0	0	0	0	0	0
Offsetting Collections From:	0	0	0	0	0	0	0	0
Reimbursements	0	0	0	0	0	0	0	0
Advances	0	0	0	0	0	0	0	0
Adjustment for Appropriated	0	0	0	0	0	0	0	0
Subtotal Budget Authority	0	0	0	0	0	0	0	50,000
D. Total Budgetary Resources	0	0	0	0	0	0	4	50,000
Other Unobligated Balances	0	0	0	0	0	0	0	0
Unobligated Balance Expiring	0	0	0	0	0	0	0	0
E. Total, Estimated Obligations	0	0	0	0	0	0	4	50,000

STATE PAID LEAVE FUND

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2010 Enacted	FY 2011 Request	Net Change
Budget Authority			
General Funds	0	50,000	+50,000
Trust Funds	0	0	0
Total	0	50,000	+50,000
Full Time Equivalents			
General Funds	0	4	+4
Trust Funds	0	0	0
Total	0	4	+4

Explanation of Change	FY 2010 Base		Trust Funds		FY 2011 Change General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	0	0	0	0	0	0	0
B. Program:								
New Appropriation		0	0	0	4	50,000	4	50,000
Programs Subtotal			0	0	+4	+50,000	+4	+50,000
C. Financing:								
Total Increase	0	0	0	0	+4	+50,000	+4	+50,000
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	0	0	0	0	0	0	0
B. Program:								
C. Financing:								
Total Change	0	0	0	0	+4	+50,000	+4	+50,000

STATE PAID LEAVE FUND

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2009 Enacted		Recovery Act		FY 2010 Enacted		FY 2011 Request	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
State Paid Leave Fund	0	0	0	0	0	0	4	50,000
General Funds	0	0	0	0	0	0	4	50,000
Operations	0	0	0	0	0	0	0	49,500
General Funds	0	0	0	0	0	0	0	49,500
Administration	0	0	0	0	0	0	4	500
General Funds	0	0	0	0	0	0	4	500
Total	0	0	0	0	0	0	4	50,000
General Funds	0	0	0	0	0	0	4	50,000

STATE PAID LEAVE FUND

BUDGET AUTHORITY BY OBJECT CLASS						
(Dollars in Thousands)						
		FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	Change FY 11 Req. / FY 10 Enacted
	Full-Time Equivalent					
11.3	Other personnel compensation	0	0	0	500	500
11.9	Total personnel compensation	0	0	0	500	500
41.0	Grants, subsidies, and contributions	0	0	0	49,500	49500
	Total	0	0	0	50,000	50,000

STATE PAID LEAVE FUND

BUDGET AUTHORITY BEFORE THE COMMITTEE					
(Dollars in Thousands)					
	FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	Diff. FY 11 Req. / FY 10 Enacted
Activity Appropriation	0	0	0	50,000	50,000
FTE	0	0	0	4	4

Introduction

Workforce and workplace changes have made it increasingly difficult for working families to meet their work and family responsibilities. The vast majority of American workers have family caregiving responsibilities outside of work and no full-time caregiver at home. The Sloan Work and Family Research Network reports the following:

- A full 70% of American working families with children have all adults in the labor force;
- Some 25% of workers have elder-care responsibilities and this number is expected to reach 40% by 2020; and
- The average American couple now works close to a combined 90 hours a week, resulting in diminished time to handle family responsibilities.

Nearly 40 percent of private-sector workers do not have paid sick leave to care for themselves, and even fewer have leave available to care for another family member when they are ill. Millions of workers risk losing pay and or their jobs when they are sick or their children are sick. In spite of the guidance from the Centers for Disease Control and Prevention (CDC) which recommends that if individuals have a fever and are sick or their children are sick, they should not go to work, many workers have no choice but to go to work. This presents a major public health concern and some studies suggest that it costs U.S. businesses billions of dollars annually.

In addition, at a time when a one-income family is a luxury few can afford, changes in family circumstances - whether it's the birth of a new child or the serious illness of an older relative - put greater stress on the economic security of families than ever before. Today, 64% of mothers of young children work outside the home.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2006	0	0
2007	0	0
2008	0	0
2009	0	0
2010	0	0

STATE PAID LEAVE FUND

FY 2011

The Budget requests \$50,000,000 for the State Paid Leave Fund, which is a new initiative. Of this amount, one percent (\$500,000) and 4 FTE are requested for Federal administration of the program.

The State Paid Leave Fund will provide grants to assist states to establish paid leave programs. Currently, California, Washington, and New Jersey offer such programs, which are called family leave insurance. Typically, the programs offer up to six weeks of benefits to workers who must take time off to care for a seriously ill child, spouse, or parent, or bond with a newborn or recently adopted child. In doing so, the programs may enhance job retention for many workers or help workers stay on their career paths.

Under this new initiative, grants would assist other states in planning and start-up activities relating to paid leave programs. The Department will develop this grant program based on the information available from established family leave insurance programs. Planning activities will include designing a program, establishing protocol for legislation to withhold taxable wages, defining family eligibility and benefits requirements, and articulating start-up activities.

STATE PAID LEAVE FUND

BUDGET ACTIVITY by OBJECT CLASS						
(Dollars in Thousands)						
		FY 2009 Enacted	Recovery Act	FY 2010 Enacted	FY 2011 Request	FY 11 Req. / FY 10 Enacted
11.3	Other personnel compensation	0	0	0	500	500
11.9	Total personnel compensation	0	0	0	500	500
41.0	Grants, subsidies, and contributions	0	0	0	49,500	49,500
	Total	0	0	0	50,000	50,000

STATE PAID LEAVE FUND

CHANGES IN FY 2011

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Built-Ins Subtotal

\$0

Net Program

50,000

Estimate

FTE

Program Increase

50,000

4