

**FY 2012**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**EMPLOYMENT AND TRAINING ADMINISTRATION**

**State Paid Leave Fund**



**EMPLOYMENT AND TRAINING ADMINISTRATION  
STATE PAID LEAVE FUND**

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**EMPLOYMENT AND TRAINING ADMINISTRATION  
STATE PAID LEAVE FUND**

**APPROPRIATION LANGUAGE**

*For grants to assist in the start-up of new paid leave programs in the States, \$23,000,000, of which the Secretary may reserve not more than 1 percent for administration related to such grants.*

Note. — A full-year 2011 appropriation for this account was not enacted at the time the budget was prepared; therefore, this account is operating under a continuing resolution (P.L. 111–242, as amended). The amounts included for 2011 reflect the annualized level provided by the continuing resolution.

**EMPLOYMENT AND TRAINING ADMINISTRATION  
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.

**EMPLOYMENT AND TRAINING ADMINISTRATION  
STATE PAID LEAVE FUND**

**ANALYSIS OF APPROPRIATIONS LANGUAGE**

Not applicable.

## STATE PAID LEAVE FUND

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	<b>FY 2010 Enacted</b>		<b>FY 2011 Full Year C.R.</b>		<b>FY 2012 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>A. Appropriation</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>\$23,000</b>
Other Supplementals and Rescissions	0	\$0	0	\$0	0	\$0
Appropriation, Revised	0	\$0	0	\$0	2	\$23,000
<i>Subtotal Appropriation</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>2</i>	<i>\$23,000</i>
Comparative Transfer To:	0	\$0	0	\$0	0	\$0
Comparative Transfer From:	0	\$0	0	\$0	0	\$0
Offsetting Collections From:						
Reimbursements	0	\$0	0	\$0	0	\$0
Advances	0	\$0	0	\$0	0	\$0
Fees	0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections From:</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
<b>B. Gross Budget Authority</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>\$23,000</b>
Offsetting Collections						
Deduction	0	\$0	0	\$0	0	\$0
Reimbursements	0	\$0	0	\$0	0	\$0
Advances	0	\$0	0	\$0	0	\$0
<i>Subtotal Offsetting Collections</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>
<b>C. Budget Authority Before Committee</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>\$23,000</b>
Legislative Proposal	0	\$0	0	\$0	0	\$0
Offsetting Collections From:						
Reimbursements	0	\$0	0	\$0	0	\$0
Advances	0	\$0	0	\$0	0	\$0
Adjustment for Appropriated	0	\$0	0	\$0	0	\$0
<i>Subtotal Budget Authority</i>	<i>0</i>	<i>\$0</i>	<i>0</i>	<i>\$0</i>	<i>2</i>	<i>\$23,000</i>
<b>D. Total Budgetary Resources</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>\$23,000</b>
Other Unobligated Balances	0	\$0	0	\$0	0	\$0
Unobligated Balance Expiring						
<b>E. Total, Estimated Obligations</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>\$23,000</b>



# STATE PAID LEAVE FUND

## SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2011 Full Year C.R.	FY 2012 Request	Net Change
<b>Budget Authority</b>			
General Funds	\$0	\$23,000	+\$23,000
Trust Funds	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$23,000</b>	<b>+\$23,000</b>
 <b>Full Time Equivalents</b>			
General Funds	0	2	2
Trust Funds	0	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>2</b>

Explanation of Change	FY 2011 Base		Trust Funds		FY 2012 Change		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
 <b>B. Programs:</b>								
New Appropriation	0	\$0	0	\$0	2	\$23,000	2	\$23,000
<b>Programs Subtotal</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>+\$23,000</b>	<b>2</b>	<b>+\$23,000</b>
<b>Total Increase</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>+\$23,000</b>	<b>2</b>	<b>+\$23,000</b>
 <b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
 <b>B. Programs:</b>								
<b>Programs Subtotal</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Total Decrease</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Total Change</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>2</b>	<b>+\$23,000</b>	<b>2</b>	<b>+\$23,000</b>

**EMPLOYMENT AND TRAINING ADMINISTRATION  
STATE PAID LEAVE FUND**

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b> (Dollars in Thousands)						
	<b>FY 2010 Enacted</b>		<b>FY 2011 Full Year C.R.</b>		<b>FY 2012 Request</b>	
	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>	<b>FTE</b>	<b>Amount</b>
<b>State Paid Leave Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>23,000</b>
General Funds	0	0	0	0	2	23,000
<b>Operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,770</b>
General Funds	0	0	0	0	0	22,770
<b>Administration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>230</b>
General Funds	0	0	0	0	2	230
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>23,000</b>
<b>General Funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>23,000</b>

**EMPLOYMENT AND TRAINING ADMINISTRATION  
STATE PAID LEAVE FUND**

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2010 Enacted</b>	<b>FY 2011 Full Year C.R.</b>	<b>FY 2012 Request</b>	<b>Change FY 12 Req. / FY 10 Enacted</b>
	Full-Time Equivalent				
	<b>Total</b>	0	0	2	0
	Reimbursable	0	0	0	0
	Total Number of Full-Time Permanent Positions	0	0	2	0
	Average ES Salary	\$0	\$0	\$0	\$0
	Average GM/GS Grade	0	0	0	0
	Average GM/GS Salary	\$0	\$0	\$0	\$0
11.1	Full-time permanent	0	0	230	230
11.3	Other than full-time permanent	0	0	0	0
11.9	<b>Total personnel compensation</b>	0	0	230	230
41.0	Grants, subsidies, and contributions	0	0	22,770	22,770
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>23,000</b>	<b>23,000</b>

**EMPLOYMENT AND TRAINING ADMINISTRATION  
STATE PAID LEAVE FUND**

<b>APPROPRIATION HISTORY</b> (Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations</b>	<b>FTE</b>
2001	\$0	\$0	\$0	\$0	0
2002	0	0	0	0	0
2003	0	0	0	0	0
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	0	0	0	0	0
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0
2012	23,000	0	0	0	0

## STATE PAID LEAVE FUND

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>FY 2010 Enacted</b>	<b>FY 2011 Full Year C.R.</b>	<b>FY 2012 Request</b>	<b>Diff. FY 12 Req. / FY 10 Enacted</b>
Budget Authority	0	0	23,000	23,000
FTE	0	0	2	2

### **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 care-giving responsibilities outside of work and no full-time caregiver at home. Based on a wide variety of research, the Sloan Work and Family Research Network ([wfnetwork@bc.edu](mailto:wfnetwork@bc.edu)) 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.
- The average American couple now works close to a combined 90 hours a week, resulting in diminished time to handle family responsibilities.
- Nearly half of low wage private-sector workers (47%) 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.

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.

The Administration is committed to promoting state development of paid leave programs that provide leave to employees for reasons covered under the Family Medical Leave Act, such as for the birth or adoption of a child or care for a sick elder relative for an extended period.

The State Paid Leave Fund will provide grants to assist additional states to establish paid leave programs. Currently, California and New Jersey offer such programs, which are called family leave insurance, and Washington State has enacted but not yet implemented a program. Typically, the programs are state-run insurance programs financed by employer and/or employee contributions, and the programs offer up to six weeks of benefits to workers for reasons covered under the Family Medical Leave Act 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.

## STATE PAID LEAVE FUND

Under this initiative, grants would be provided to assist additional states in planning and start-up activities relating to state family paid leave programs. These funds will be provided to states for either pre-implementation planning activities or to implement programs. Pre-implementation planning activities may include research and analysis, program design, modeling and identifying financing structures, defining family eligibility and benefits requirements, developing outreach strategies that will support program participation by employers and workers, and other activities designed to help position the state for implementation. A key deliverable for pre-implementation planning grants will be an implementation plan.

Implementation grants are designed to support the administrative costs associated with ramping up a new or substantially expanded program. Implementation grant funds may be used for activities such as project management, staff or contract support to implement new business processes, technology investments to support program operations; development of reporting and performance accountability processes; and development and dissemination of explanatory materials to eligible workers.

### **Five-Year Budget Activity History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2007	\$0	0
2008	\$0	0
2009	\$0	0
2010	\$0	0
2011	\$0	0

### **Funding Mechanism**

Between 2 and 10 states may receive grants, depending on the number of states that are ready for full implementation (costs range from \$300,000 to \$15,000,000) and those who need funds for pre-implementation planning (grant amounts are estimated to range from approximately \$500,000 - \$1,500,000 depending on where the state is in the pre-implementation ramp-up process).

### **FY 2012**

The Budget requests \$23,000,000 for the State Paid Leave Fund. Of this amount, one percent (\$230,000) is requested for Federal administration of the program. The remaining \$22,770,000 will be used for grants and for technical assistance that will include: outreach to help identify and facilitate the participation of States; information and other assistance that could help the planning; and, start-up activities in multiple states.

## STATE PAID LEAVE FUND

<b>BUDGET ACTIVITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>FY 2010 Enacted</b>	<b>FY 2011 Full Year C.R.</b>	<b>FY 2012 Request</b>	<b>Change FY 12 Req. / FY 10 Enacted</b>
11.1	Full-time permanent	0	0	230	230
11.3	Other than full-time permanent	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>0</b>	<b>0</b>	<b>230</b>	<b>230</b>
41.0	Grants, subsidies, and contributions	0	0	22,770	22,770
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>23,000</b>	<b>23,000</b>

# STATE PAID LEAVE FUND

## CHANGES IN FY 2012

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments \$0

Grants, subsidies, and contributions 0

**Built-Ins Subtotal \$0**

**Net Program \$23,000**

**Direct FTE 2**

**Estimate FTE**

**Base \$0 0**

**Program Increase \$23,000 2**