

SENATE BILL REPORT

SB 6699

As Reported By Senate Committee On:
Labor & Workforce Development, February 3, 2000

Title: An act relating to leave to care for a child.

Brief Description: Establishing a partial wage replacement program for child care leave.

Sponsors: Senators Brown, Fairley, Jacobsen, Patterson, Costa, Kline, Thibaudeau, Kohl-Welles and Eide.

Brief History:

Committee Activity: Labor & Workforce Development: 1/31/2000, 2/3/2000 [DPS, DNPS].

SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6699 be substituted therefor, and the substitute bill do pass.

Signed by Senators Fairley, Chair; Franklin, Vice Chair; Kline and Wojahn.

Minority Report: Do not pass substitute.

Signed by Senator Hochstatter.

Staff: Jill Reinmuth (786-7452)

Background: Both the Federal Unemployment Tax Act (FUTA) and state unemployment compensation law require that an individual be able and available for work to receive unemployment compensation. In most situations, if an individual is not available for work, does not actively search for work, or fails to apply for or refuses suitable work, the individual may not receive unemployment compensation.

In several situations, however, such an individual may receive unemployment compensation. These situations include approved training, illness, jury duty, or temporary layoffs. In the past, these situations have not included leave for the birth or the adoption of a child. In 1999, however, the federal Department of Labor issued proposed regulations which would establish an experimental program and allow states to use unemployment compensation to provide partial wage replacement to employees who desire to take approved leave or otherwise leave their employment following the birth or adoption of a child.

Some contend that providing unemployment compensation to individuals on leave following the birth or adoption of a child will help families flourish and sustain a stable workforce. Individuals will have time to bond with their children, make arrangements for child care, and adjust to lifestyle changes before returning to work. Consequently, individuals will be better able to maintain their connection to the workforce.

Summary of Substitute Bill: An individual who leaves work to care for a child during the year following the birth or adoption of the child may receive unemployment compensation for a maximum of five weeks. The individual is not denied unemployment compensation for voluntarily leaving work. The individual also is not denied unemployment compensation for not being available for work, actively searching for work, or applying for or accepting suitable work. The individual must be otherwise eligible to receive unemployment compensation. Birth and adoption unemployment compensation is not charged to experience rating accounts of employers that pay contributions. Birth and adoption compensation must be repaid to Employment Security Department by reimbursable employers.

Employer-paid leave for birth or adoption is in addition to leave during which an individual receives birth and adoption unemployment compensation. An employer may require an employee to substitute employer-paid leave for birth or adoption or leave during which an individual receives birth and adoption unemployment compensation for leave under the federal Family and Medical Leave Act (FMLA). An individual who is on leave and receiving birth and adoption unemployment compensation is entitled to reinstatement to the same position or a position with equivalent wages and benefits within 20 miles.

Substitute Bill Compared to Original Bill: Consistent with proposed federal regulations on birth and adoption unemployment compensation, an individual may be denied benefits under state laws relating to extended benefits. The act is applied consistent with such federal regulations. The act applies to weeks of unemployment following the day on which the act is signed by the Governor or the federal regulations are issued, whichever is later. A technical correction is made.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: Family leave gives infants a good start. Within the first few days of life, babies know who their parents are. Babies who are breastfed and who are at home for even a short time are healthier. Their parents miss less work. Child care for an infant under six weeks of age is very difficult to find.

Family leave also helps lower employee turnover, enhances productivity, and creates a willingness to "go the extra mile" among employees.

Unpaid family leave can create financial hardships. According to the Commission on Leave, many workers do not take family leave because they cannot afford to do so. By providing some financial security, more workers will be able to take leave.

Paid family leave will help people balance work and family. The estimated costs of paid family leave equal less than 1 percent of the unemployment insurance trust fund balance. Partial wage replacement following birth or adoption is common in other industrialized countries.

Testimony Against: None.

Testified: PRO: Senator Lisa Brown, prime sponsor; Dr. Amy Belko; Deborah Hartaugh; Sara Dotson; Robbie Stern, Washington State Labor Council; Maralyn Watkins, Economic Opportunity Institute; Elizabeth Pierini, League of Women Voters; Jerri Wood, Communications Workers of America.