

MINUTES OF THE House COMMITTEE ON Labor and Industry

The meeting was called to order by Representative Anthony Hensley at
Chairperson

9:06 a.m./~~p.m.~~ on February 6, 19⁹¹ in room 526-S of the Capitol.

All members were present except:

Representative Cribbs - Excused Representative Roper - Excused
Representative Douville - Excused Representative Gomez - Excused
Representative Webb - Excused

Committee staff present:

Jim Wilson, Revisor of Statutes
Jerry Donaldson, Research Assistant
Barbara Dudney, Committee Secretary

Conferees appearing before the committee:

Janet Brunton	Barbara Holzmark	Dennis Marten
Marcia Magid	Roland Smith	Mark Russell
Marilyn Greathouse	Terry Leatherman	Ed Miller

The meeting was called to order at 9:06 a.m. by the chairman, Rep. Anthony Hensley.

Chairman Hensley announced that the hearings on House Bill No. 2076 would continue and that the time for testimony would be divided equally between the proponents and opponents with each side allotted 25 minutes.

The chairman introduced conferees as proponents of House Bill No. 2076:

Janet Brunton, representing the Women's Agenda Coalition, stated that last fall the Topeka YWCA and other women's groups sponsored a Women's Agenda conference to discuss issues important to women in Kansas. She said the conference participants unanimously endorsed the enactment of family and medical leave legislation such as House Bill No. 2076. She hoped committee members understand how important family and medical leave policies are to the average working woman in Kansas. She pointed out that her employer, Topeka YWCA, has successfully instituted "cross training" of employees who replace employees who take extended leaves of absences (attachment #1).

Marcia Magid, Department of Research of the American Federation of State, County and Municipal Employees, AFL-CIO, Washington, D.C., commented on changing economic and demographic conditions that have affected American family structure. She said twelve states and the District of Columbia have passed laws that require employers to grant leaves to employees for child birth or adoption and/or family illness. She presented a state-by-state comparison of these laws and pointed out that House Bill No. 2076 was a "true family and medical leave bill" (attachment #2).

Marilyn Greathouse, Regional Director for the Southwest Central Region of American Association of University Women, said that since 1986 AAUW has endorsed the federal family and medical leave act. She said that public opinion polls have consistently shown popular support for this legislation. She cited a study by The Institute for Women's Policy Research of 7,000 families that has concluded the lack of parental leave has cost women and taxpayers \$715 million a year. She said the study shows that mothers without maternity leave have a salary loss of \$607 million a year while taxpayers pay \$108 million in public assistance. She spoke to the example of Mary Loftus of Topeka who was fired from her television news anchor job because of taking maternity leave (attachment #3).

Barbara Holzmark, Kansas Legislative Chair, National Council of Jewish Women, gave a brief background of her organization and expressed its support for House Bill No. 2076. She said that studies of the federal family and medical leave bill show that these policies actually benefit small employers. She said total employment in states with parent leave policies grew by 46% compared to 35% in non-leave states. She said women are not the only beneficiaries of the bill, men will benefit as well. However, she stated that women have been discriminated against by business practices that force them to choose between their job and family duties (attachment #4).

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Labor and Industry,

room 526-S, Statehouse, at 9:06 a.m./~~p.m.~~ on February 6, 1991

Chairman Hensley then introduced conferees as opponents of House Bill No. 2076:

Roland Smith, Executive Director of Wichita Independent Business Association, stated his opposition to family and medical leave at the state and national level. He said his organization had worked to persuade U.S. Congressman Dan Glickmen to vote against the federal bill. He said he would provide written testimony in the near future.

Terry Leatherman, Executive Director of Kansas Industrial Council, Kansas Chamber of Commerce and Industry, stated that in a 1989 survey of KCCI members 51% of the 756 members who responded indicated they have an unpaid family leave policy, which includes a re-employment guarantee. He said a national study by the Bureau of Labor Statistics shows that 60% of businesses in the U.S. provide flexible leave, job sharing, part-time work after maternity leave, and other employee benefits. He said the enactment of this bill would be very costly to Kansas employers in the following areas: health insurance, temporary employees and overtime pay, and unemployment compensation. He provided an explanation of vote made by U.S. Congressman Dan Glickman in voting against 1990 H.R. 770, the Family and Medical Leave Act (attachment #5).

Dennis Marten, President of Marten Crafts, Inc., in Manhattan, Kansas pointed out that even though his company has only 18 employees, and therefore the bill would not apply to him, he was opposed to House Bill No. 2076. He said he is very flexible in allowing employees time off for family emergencies (attachment #6).

Mark Russell, President, La Siesta Foods, Inc., Topeka, expressed his opposition to the bill based on several points: replacement employees would have no rights to the job after spending hours in training, continuing employee's health insurance coverage during the leave of absence would be unfair cost to him, employer insurance rates would increase, and the marketplace should dictate employees benefit packages offered by employers (attachment #7). Mr. Russell answered questions from several members of the committee.

Ed Miller, Vice-President for Human Resources, Lear-Jet Corporation, Wichita, said that if the bill passed it would create a serious hardship on his company. He said Lear-Jet currently provides maternity leave of 4 to 6 weeks. He said he will provide the committee with written testimony in the near future.

Chairman Hensley announced that the hearing on House Bill No. 2076 would continue to morrow, Thursday, February 7, 1991.

The meeting was adjourned at 9:55 a.m.

GUEST LIST

COMMITTEE: House Labor and Industry

DATE: Feb. 6, 1991

NAME	ADDRESS	COMPANY/ORGANIZATION
Chuck Stuart	Topeka	United School Adm's
Lucy Natta	Topeka	OJA
Ed Miller	PO Box 7707 Wichita	Leajet Inc.
Frederic Smith	Nichita	WIBA
Paul Shelton	Topeka	OJA
Terry Leatherman	Topeka	KCCI
Anne Kimmel	Topeka	AAUW
Barbara Holmbeck	Leawood	Heeler KC Section Natl Council of Jewish Women
Sam H. Buntton	TOPEKA	YWCA
Don D. Bel	Kansas City, Mo	City KCK
Karen Gustafson	Topeka	Washburn Student
Wickie Johnson	"	" "
H. Dean Carter	-	DEPT. Human Resources
Michelle Moore	Topeka	Kansas Action for Children
Laurie Hartman	"	Ks. Bar Assoc.
Jacqueline Dakes	Topeka	SQF
Bill Curtis	Topeka	Ks. Assoc. of School Bds.
JEFF SONNICH	TOPEKA	KNLSI
Michelle Grieter	Topeka	John Peterson Assoc

HOUSE LABOR AND INDUSTRY COMMITTEE

Testimony in behalf of HB 2076

February 5, 1991

I am Janet Brunton. I am employed by the Topeka YWCA, and am here to support HB 2076.

Last fall the Topeka YWCA, in a cooperative effort with several other women's groups, sponsored a Women's Agenda conference. Over 80 women, representing 11 different groups, came to Topeka from across the state. Women from western, as well as southern and central Kansas were involved in writing an Agenda which addressed the wide range of needs experienced by Kansas women. It is in behalf of that group that I speak.

An important theme expressed by the Women's Agenda was their concern for women, not only as recipients of state services, but also as workers and care providers.

Within the past 15 years economic necessity has made work outside the home a fact of life for most women. At the same time women are still the primary care providers for immediate and extended family members.

It is our hope that you understand how important family and medical leave is to the average working woman whose very livelihood, and that of her family, can be jeopardized by the needs of an ailing loved one. It is not uncommon to see women who have lost their jobs, or were forced to quit, because of such normal occurrences as pregnancy or the more unusual sickness of a loved one.

We believe provisions for family and medical leave will provide some assurance that we can continue to maintain our dual commitments as wage earners and care providers. We urge you to support HB 2076.

Respectfully submitted,
Janet M. Brunton, Women's Agenda Coalition

*Labour Industry
2-6-91
Attachment I*



AFSCME®

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Danny Donohue
Albany, N.Y.

James Glass
Lansing, Mich.

Stanley W. Hill
New York, N.Y.

Blondie P. Jordan
Orlando, Fla.

Edward J. Keller
Harrisburg, Pa.

Joseph J. Kreuser
Menomonee Falls, Wisc.

Faye D. Krohn
Kasota, Minn.

Marilyn LeClaire
Columbiaville, Mich.

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Jack Merkel
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Henry Nicholas
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Joseph P. Puma
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Thomas A. Rapanotti
Baltimore, Md.

Joseph P. Rugola
Columbus, Ohio

Kathy J. Sackman
Pomona, Calif.

Burhman D. Smith
Philadelphia, Pa.

Linda Chavez-Thompson
San Antonio, Tex.

Garland W. Webb
Baton Rouge, La.



TESTIMONY

OF

**MARCIA MAGID
DEPARTMENT OF RESEARCH
AFSCME**

BEFORE

**KANSAS HOUSE OF REPRESENTATIVES
COMMITTEE ON LABOR AND INDUSTRY**

FEBRUARY 6, 1991

in the public service

*Labor + Industry
2-6-91
attachment # 2*

2-1

TESTIMONY ON KANSAS HOUSE BILL 2076

PARENTAL AND FAMILY LEAVES

My name is Marcia Magid and I am a labor economist for the American Federation of State, County, and Municipal Employees. AFSCME is the largest public employee union in the AFL-CIO and represents over 1.2 million employees in 48 states across the country. Our experiences with our members across the nation and in those states that have passed laws indicate that there is a pressing need for parental and family leave legislation.

Fewer than one-fifth of American families fit the traditional stereotype where the father goes off to work and the mother stays home with the children. One quarter of today's working mothers raise children alone. For many, if not most families, two incomes are necessary for mere survival, since child care is the fourth greatest family expense after housing, food, and taxes. At the other end of the age spectrum, those 85 years and older are the fastest growing segment of the American population. In 1987, there were 2.9 million Americans 85 years or older. By the year 2000, this part of the population is expected to be 5 million.

These economic and demographic shifts have significantly affected the American family structure. Despite the fact that there is an increasing need for new employment practices that accommodate the changing family obligations of workers, the United States does not grant family leave as a national policy.

*attachment # 2
2-2*

Many states, however, realized the negative policy implications and acknowledged the burdens that virtually every employee will face sometime during his or her working career. Twelve states and the District of Columbia have passed laws that require employers to grant leave to employees when they give birth or adopt a child and/or when a family member is ill. These laws exceed the guidelines of maternity leave laws that mandate leave for disability due to pregnancy and childbirth. In general, these laws either provide for parental leave, which applies to pregnancy, childbirth, and adoption and those that include the aforementioned conditions as well as the illness of the employee or other family members. Attachment 1 summarizes the provisions of the state parental or family leave bills.

Arizona, Minnesota, and Oregon statutes provide for leave only for birth or adoption of a child. The Rhode Island and Washington laws expand the parental leave to include any illness of a child 18 years of age or younger. Legislation in Connecticut, Maine, New Jersey, North Dakota, Oklahoma, West Virginia, Wisconsin, and Washington, D.C. provide much broader coverage and are true family leave laws. These bills cover illness of a spouse, parent, or the employee in addition to providing for the birth, adoption, and illness of a child.

The various laws also apply to different types of employees. The leaves in Arizona, North Dakota, Oklahoma, and West Virginia

apply only to the state employees. The other states and the District of Columbia have laws that cover employees in both the private and public sectors.

The laws also cover different sized employers. For those states that cover only state employees, the size of the employer is irrelevant. However, the other 9 leave laws that cover the private sector have ranges from 21 or more in Minnesota to 250 employees in Connecticut. The New Jersey and Connecticut laws phased in requirements for the leave by decreasing the number of employees for coverage over time. The New Jersey law decreases the coverage to employers with 100 employees in 1990 to 50 employees by May 1993. The Connecticut plan began with a 250 employee cut off; the law reduces the minimum to 75 by July 1992.

The duration of the leave also varies among the laws. The Connecticut law grants the longest leave of up to 24 weeks or approximately 6 months; it also covers the illness of a family member. In contrast, the Minnesota law only provides for parental leave for a period up to 6 weeks.

Since all state laws provide for unpaid leaves, the financial loss of a non-paid leave are exacerbated if an employee must pay more for his or her health insurance. Usually, employees can use accrued paid vacation and sick leaves, many individuals cannot survive a leave of absence without pay for extended periods of time. Thus, one of the more important provisions of family leave

laws is the requirement that an employer continue to pay for benefits such as life and health insurance. The continuation or cessation of payments seriously impacts on an employee's ability to take full advantage of the duration of the leave. Only New Jersey, Wisconsin, and Washington D.C. currently require the employer to continue paying for employer-sponsored health benefits.

All the laws stipulate that the employee using a leave will be given the same or similar position upon his or her return to employment. Only Arizona, Maine, Oklahoma, and West Virginia guarantee that the employer must return the employee to the same position. Connecticut, Maine, Minnesota, New Jersey, North Dakota, Oregon, Rhode Island, Washington, West Virginia, Wisconsin and Washington, D.C. ensure that the employer will reinstate the employee without loss of salary, benefits, or seniority.

With the exception of Arizona, all the other states mandate that an employee notifies the employer that he or she intends to take a leave. New Jersey, North Dakota, Oklahoma, Wisconsin, and Washington D.C. require "reasonable and practicable" notice of the beginning of the leave as well as the estimated date of return. The other states require notice ranging from 2 weeks to 30 days. Most of these states acknowledge that births and the onset of certain illnesses are unpredictable so the laws contain such caveats as "unless conditions prohibit" or "whenever possible."

Seven states (Connecticut, Maine, New Jersey, North Dakota,

Washington, West Virginia, and Wisconsin) plus the District of Columbia require that the employee provide written certification from a physician or health care provider of the birth, adoption, or illness causing the employee's leave.

The proposed Kansas bill, House Bill 2076, falls within the bounds of the provisions of the existing laws. It is a true family and medical leave bill providing for 10 weeks of leave. This is less time than nine of the states (including the District of Columbia); however, House Bill 2076 does mandate that employers will continue to pay health insurance benefits. The bill applies to both private and public sector employees who work for employers with more than 50 employees. The law guarantees the same or a comparable position upon the employee's return to work and requires "reasonable and practicable" notice.

In general, it is a strong bill that will significantly improve the lives of working men and women in the State of Kansas. On behalf of AFSCME Council 64 and the rest of AFSCME across the nation, I urge you to pass this bill. A family and medical leave act will not solve all the problems facing employees with families, but it will be a great help and set a minimum standard. Thank you very much for the opportunity to express AFSCME's view.

Attachment 1

Summary of State Legislated Parental or Family Leaves

	Parental Leave	Family Leave	State Employees Only	Public and Private Sector	Duration of Leave (Weeks)	Unpaid Leave	Health Benefits Paid by Employer	Position Upon Return to Employ- ment	Notice Required	Minimum Size of Employer (No of Employees)
Arizona	X		X		12	X		X		State (7)
Connecticut	X	X		X	24/16 (1)	X		X	14 days	250 (8)
Maine	X	X		X	8	X		X	30 days	25
Minnesota	X			X	6	X		X	14 days	21
New Jersey	X	X		X	12	X	X	X	R+P (2)	100 (9)
North Dakota	X	X	X		16/8 (3)	X		X	R+P	State (7)
Oklahoma	X	X	X		unspec(4)	X		X	R+P	State (7)
Oregon	X			X	12	X		X	30 days	25
Rhode Island	X			X	13	X		X	30 days	30 (10)
Washington	X			X	12	X		X	30/14 days(5)	100
West Virginia	X	X	X		12	X		X	14 days	State (7)
Wisconsin	X	X		X	6/2/8 (6)	X	X	X	R+P	50
Washington, D.C.	X	X		X	16	X	X	X	R+P	50 (11)

=====

- (1) State employees - 24 weeks, others - 16 weeks
- (2) Reasonable and practicable
- (3) Full time(40 hrs/week) ; 16 weeks; part-time (20 hrs/week) - 8 weeks
- (4) Unspecified
- (5) 30 days for birth & adoption; 14 days for illness
- (6) Birth & adoption - 6 weeks; illness - 2 weeks; combination of both - 8 weeks
- (7) The state is the only employer covered by the law
- (8) 100 employees as of 7/1/91; 75 employees 7/1/92
- (9) 75 employees as of 5/91; 50 employees as of 5/93
- (10) Private sector - 50 employees
- (11) 20 employees as of 2/94

February 1991



KANSAS DIVISION AMERICAN ASSOCIATION OF UNIVERSITY WOMEN
TESTIMONY IN SUPPORT OF HB 2076
BEFORE THE HOUSE COMMITTEE ON LABOR AND INDUSTRY
February 6, 1991

Good morning. Chairman Hensley, Vice-Chair Webb and members of the committee. I am Marilyn Greathouse, past president of the Kansas Division of the American Association of University Women and currently the AAUW Regional Director for the Southwest Central Region which covers Kansas, Arkansas, Missouri, Oklahoma and Texas. I speak today on behalf of the more than 2000 men and women who belong to the Kansas AAUW.

I am here to testify in support of HB 2076. Since 1986, AAUW has endorsed the federal Family and Medical Leave Act, which would provide job security for workers who must balance their work and family responsibilities. In June of 1989, approximately forty Kansas members of the AAUW visited their Congressional representatives to lobby in support of the landmark legislation which would establish a national family leave policy for the first time. The bill passed both houses in the 101st Congress but was vetoed by President Bush. Public opinion polls consistently indicate popular support of this legislation. The United States is now the only industrialized nation besides South Africa lacking such an enlightened family leave policy.

Studies have shown that parental and medical leave policies are not only pro-employee and pro-family, they are also pro-business. Companies who have such policies in place report increased productivity and employee loyalty and satisfaction. Senator Kassebaum stated, in a paper entitled "Talking Points- Parental Leave", "Most of us support

*Labor Industry
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attachment
#3*

parental and medical leave policies and are disappointed that businesses have not responded to the new work place realities at a greater rate. Frankly, it has been frustrating to me to see the energy and resources businesses have been willing to invest in opposing this measure when they could have been so much more productively spent in searching for creative solutions."

The Institute for Women's Policy Research (IWPR) conducted a study entitled "Unnecessary Losses: Costs to Americans of the Lack of Family and Medical Leave". The lack of parental leave guaranteeing the right to re-employment costs women and taxpayers \$715 million annually the study revealed. This far exceeds the costs to business owners of providing unpaid leave.

Funded by the Ford Foundation, IWPR analyzed data from a nationally representative sample of 7,000 families polled annually by the University of Michigan. Not surprisingly, the study found that all women who have babies lose earnings in the birth year and after. But, because mothers without maternity leave also lose their jobs, their salary loss is \$607 million annually. Before these women find new jobs, taxpayers must provide \$108 million in income assistance. Thus, the annual bottom line for families and taxpayers is \$715 million. Why? Because this nation fails to protect the right of job return.

Providing parental leave for childbirth and adoption would cost business \$102 million a year, according to the General Accounting Office (GAO). This covers the direct cost of continuing health insurance coverage for the maximum 10 weeks of unpaid leave provided by the Family and Medical

Leave Act. By exempting businesses with fewer than 50 employees, the legislation eases the burden for small employers.

Opponents portray business as bearing along the costs of enacting family leave. They ignore the costs which everyone bears now. Americans also lose enormous earnings in connection with their own serious illness or that of a child or aging parent. The annual cost to workers of such salary losses is \$100 billion, while income assistance provided by taxpayers amount to \$7.6 billion annually. Illness and the loss of earning will not be prevented. But the Family and Medical Leave Act will limit economic disruption to a family by securing the right of job return after this kind of emergency.

The Women's Legal Defense Fund, based in Washington, DC, gathered dozens of case studies of American workers who had lost their jobs, lost their health insurance, or lost their seniority at their jobs when their family responsibilities forced them to take unpaid leave. These studies were published in 1990 by WLDF under the title "Working Families Speak: Case Studies of Americans Who Needed Family and Medical Leave." One of those case studies involved a Kansas woman.

Mary Loftus spent six years working her way up to the position of news anchor at a Topeka news station. Then she became pregnant. She made advance arrangements with her supervisors to take a six-week leave of absence following her delivery; she would use two weeks of her vacation leave and four weeks of her medical leave that she had already

accrued. Her supervisors approved her leave in advance and assured her they would be "delighted" to have her back.

Ms. Loftus worked up until the night before her delivery. Three days after her child was born, she returned home whereupon she received a call from her supervisors asking whether they could visit her at home. Thinking that they were bringing her new baby a gift, Ms. Loftus agreed to the visit. Upon their arrival, however, her supervisors told her that she had been terminated, ostensibly because the station wanted "a new look". The other news anchor, however, was not fired.

The shock of her sudden firing created such stress for Ms. Loftus that she was unable to breastfeed her child, as she had planned to do. For a short time, she collected unemployment compensation. Although she was able to find another job at another news station, she had to start at an entry-level position, taking a substantial pay cut. It took her years to work her way back to her former salary and job status. (WLDF Case Studies, page 31.)

It is time for Kansas to follow 100 countries and twenty-eight states and U.S. territories which not only say families are important, but show it by supporting efforts to balance family and work. In West Germany and Japan, economic growth has soared on the premise that employers and employees share the stakes in work and productivity.

Guananteeing job retention after unpaid leave promotes healthy children, healthy families, healthy workers, and a healthy economy. To thinking women and men, it looks like a straight win/win business proposition. Thank you.

MARILYN R. GREATHOUSE
SOUTHWEST CENTRAL REGIONAL
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3-4

FACT SHEET

THE FAMILY AND MEDICAL LEAVE ACT OF 1989 (HR 770/S 345)

A national family policy is critical to help Americans balance work and family responsibilities.

Families are changing...

- Today, only 3.7 percent of American families fit the stereotype in which the father works outside the home and the mother stays at home to take care of the children.
- Nearly half of mothers with children under one year of age work outside the home.
- In 1985, 18 percent of elderly Americans lived with an adult child. The federal government estimates that by 2025, Americans over 65 will make up 40 percent of the dependent care population.

The Work Force is changing...

- Between 1950 and 1985, the number of women in the labor force increased by 178 percent, while the number of men rose only by 47 percent.
- More than half of the 45.6 million children in two-parent families have both parents in the work force, while 15.3 million children in America live with only one parent.
- By 1990, 3 out of 4 mothers will be working outside the home.

Workplace realities...

- Currently no federal policy exists that guarantees family or medical leave. A handful of states require some job guarantees for pregnancy, parental and general medical leave; however, these laws are inadequate and inconsistent from one state to the next.
- One hundred countries, including many developing countries and every industrialized country EXCEPT the U.S. provide some period of job-protected family leave with some amount of wage replacement. Most countries provide a benefit equal to 100 percent of wages.
- According to the Bureau of Labor Statistics, nearly 55 percent of all medium and large employers provide no medical leave for seriously ill workers.

American families need and deserve the security of knowing that caring for their families will not jeopardize their economic well-being.

AAUW Program and Policy Department
June 1989

American
Association
of
University
Women

1111 Sixteenth St., N.W. Washington, DC 20036 202/785-7712

AMERICAN ASSOCIATION
OF UNIVERSITY WOMEN

April 1988

Family Leave: A Solution to Work and Family Conflicts

HARD CHOICES

Tina Hurst of Newark, Delaware, has discovered what too many American parents have learned: working parents who need time off to care for their families often lose their jobs.

In 1986, Hurst's infant son, Ian, was hospitalized intermittently and required constant care while doctors worked to find the proper medication and dosage to stabilize his epilepsy. During that time the Hursts worked alternating shifts so that at all times at least one parent could stay with Ian. In eight months of nearly constant family crisis, Hurst took only six nights of unpaid leave to stay at the hospital when Ian was in critical condition. Responding to company complaints about her absences, Hurst asked for and was granted permission to resign temporarily, with assurances that she would be rehired if she could return to work in a reasonable amount of time. Six weeks later, Hurst reapplied for her job, and was turned down.

"I lost my job because I was forced to choose between caring for my son or working to help support my family," Hurst testified before a congressional committee. "My child's life was at stake, and my employer gave me an ultimatum over the six nights of absenteeism.

... Losing my job has made this difficult experience even harder. Although my husband's health insurance covers most of the medical bills, we still face considerable financial hardships. We need my income to support our children and take care of our expenses."¹



CURRENT POLICIES

Tina Hurst's frustration is shared by millions of men and women who are struggling to support their families while caring for newborn or adopted children, ill children, or elderly relatives. Less than 10 percent of the population now lives in the traditional family with a male "breadwinner" and a female "homemaker."² Still, the overwhelming majority of employers has yet to respond to these demographic changes by instituting family and medical leave policies.

Employees with family needs that require time away from work may be able to put together a combination of vacation,

sick leave, disability leave, maternity leave, or unpaid leave—or they may not. Less than 20 percent of the firms responding to a 1985 U.S. Chamber of Commerce survey have a formal maternity leave plan, while 31 percent allow employees to combine vacation and sick leave for that purpose.³ The U.S. General Account-

"My child's life was at stake, and my employer gave me an ultimatum over six nights of absenteeism [in eight months]. Losing my job has made this difficult experience even harder."

FAMILY LEAVE POLICIES: OTHER NATIONS

71% of European countries offer some family leave in addition to maternity leave.

Sweden has the most comprehensive plan, including

- 270 days of parental leave at 90% pay and 90 days per year at reduced pay until a child is 4 years old
- 60 days per child per year at 90% pay to care for ill children under the age of 12
- 2 days per child per year for school visits
- 2 weeks whenever a child changes day care facilities

ing Office (GAO). Congress' support agency for research and oversight, estimates that less than one-third of women workers are employed by firms that provide six weeks of disability leave.⁴

There is wide variation in the provision of these and other employee benefits, however. Smaller companies, which traditionally employ more women, typically offer fewer and less comprehensive benefits, but may be more flexible in scheduling work and allowing unpaid leave for family needs. In a door-to-door survey of firms in two towns in the northeastern U.S., Kamerman and Kahn found that 85 percent of the firms with fewer than 5 employees, but only 50 percent of the firms with more than 25 employees, would allow unpaid leave for care of an ill child.⁵

This piecemeal approach to family leave reflects the unique way family and work issues are handled in the U.S. All European countries have made explicit commitments to securing the healthy development of their children by adopting national policies requiring some paid maternity leave for women workers. The U.S., thus far, has failed to make such a commitment to its families, leaving the resolution of family and work conflicts to private negotiation between employees and their employers.

Negotiating did not work for David Wilt, who lost his job when his infant daughter, Sarah, needed coronary bypass surgery. As soon as Sarah's condition was diagnosed, Wilt told his employer at a Mister Donut bakeshop that he would need time off to take his daughter to Children's Hospital in Washington, DC. He scheduled time off with his boss as soon as he knew the date of the operation. But as Wilt finished his second shift on the evening he was planning to leave, his boss informed him that unless he worked the next day he would be fired.

"I did the only thing a parent could do," Wilt told a congressional committee. "I left. . . . I then drove to Washington that night. . . . I am no hero. I am just a working man who was fired because he loves his kids."⁶

LEGISLATIVE PROPOSALS

Congress has proposed a new framework for helping people like Tina Hurst, David Wilt, and their employers to fulfill family and work responsibilities. Bills that would establish minimum national standards for unpaid leave for workers who are ill or caring for dependents were first introduced in 1986 in both the U.S. House of Representatives and Senate.

Strong public support and a bipartisan compromise resulted in the House Education and Labor Committee's approval of H.R. 925, the Family and Medical Leave Act of 1987, in November 1987. This bill

- would provide 10 weeks of unpaid family leave for the birth, adoption, or illness of a child or parent;
- would provide 15 weeks of unpaid medical leave for personal illness;
- would exclude employees who work part-time, or have worked less than a year;
- would exempt employers with fewer than 50 employees and, after three years, employers with fewer than 35 employees;
- is projected to cost \$212 million annually;
- is projected to cover two-fifths of the work force.

A similar bill introduced in the Senate, S. 249, the Parental and Medical Leave Act of 1987

- would provide 18 weeks of unpaid parental leave,
- would provide 26 weeks of unpaid medical leave,
- would exempt employers with fewer than 15 employees,
- is projected to cost \$500 million annually,
- is projected to cover two-thirds of the work force.⁷

To stay informed about the latest action on family and medical leave proposals, subscribe to *Action Alert*, AAUW's monthly legislative newsletter (\$20 for AAUW members, \$25 for nonmembers; send check or money order to *Action Alert* Subscription, 2401 Virginia Avenue, N.W., Washington, DC 20037). For further information, contact the AAUW Program and Policy Department, 202/785-7712.

BEARING THE BURDEN: SOCIAL AND ECONOMIC COSTS

A recent, pathbreaking study by the Institute for Women's Policy Research (IWPR) shows that the cost to families and to society of not providing family and medical leave far outweighs the projected cost to businesses of the current family and medical leave proposals.

The 1988 IWPR study estimates the income lost by workers due to childbirth and illness for the year of the initial work absence and the two subsequent years. Averaged across these three years, estimated income losses are \$30 billion a year for women who give birth, and \$100 billion a year for workers who are absent from work more than 50 hours due to illness. Estimated income loss for workers caring for elderly relatives is \$5 billion a year. In addition, the annual cost to taxpayers for welfare payments to ill workers averages \$7 billion.

These figures represent some of the costs to society of caring for newborn children, and ill and elderly family members. Families bear the lion's share of these costs. The current family and medical leave proposals would simply mitigate some of the income losses due to added

"I did the only thing a parent could do. I left. I then drove to Washington that night. I am no hero. I am just a working man who was fired because he loves his kids."

hours of unemployment and decreased wages when workers lose their jobs because of the lack of leave policy.

Women who have no parental leave face especially heavy income losses. By averaging the income lost by these families over the same three years as in the above estimates, IWPR calculates that new mothers without any kind of parental leave lose an additional \$607 million per year in income compared to those new mothers with some form of parental leave. New mothers both with and without parental leave sometimes lose their jobs and are forced onto welfare, but those without leave receive an estimated additional \$108 million in welfare payments compared to those with some form of leave.⁸

In comparison to these losses, the cost to employers of providing family and medical leave would be minimal. In 1987, the GAO surveyed employers in two major cities to determine the amount of productivity lost when employees are on temporary leave. The survey revealed that most employers reallocate work instead of hiring temporary replacements. It also revealed that when employers do hire replacements, the costs of hiring and training them are approximately offset by

the wages from the absent employee's salary. Few employers believed they experienced a significant loss in productivity by using temporary replacements. The GAO survey concluded that the only real cost of family leave to businesses is the price of continued health insurance coverage for the absent employee.

The GAO estimates the insurance coverage costs of the current Senate bill, which excludes all employers with fewer than 15 employees, at \$500 million per year; shared equally among the American population, this would be approximately \$2 per person per year. The current House bill, which excludes all employers with fewer than 35 employees, is estimated to cost \$212 million per year in insurance coverage costs; this would come to less than \$1 per person per year.⁹

In addition, these costs must be balanced against the benefits of providing family and medical leave: increased productivity from retaining experienced workers, and innumerable other short- and long-term benefits from improved family care such as enhanced child development and, therefore, gains in the quality and potential of our future work force.

FAMILIES AND WORK IN HISTORY

A national family and medical leave law would help solve a problem that has haunted American society since the industrial revolution.

In the pre-industrial, extended-family household, family and work were intertwined, and children were raised, educated, and integrated into the work force through their participation in daily family life. Whether farms, artisans' workshops, or merchants' stores, households consisted of parents, children, elderly relatives, servants, and apprentices working together, and were centers of production.

Industrialization created the need for a pool of workers gathered around a set of machines—a factory. This separated family from work life for the first time, creating a conflict between working for the



Jonathan Sierman

family and working for income. Early labor laws codified the new distinction between family and work. Legislation regulating the hours and conditions of work and restricting or eliminating the participation of women and children in the labor market was intended in part to solve the problem of home and family care by shifting women from paid production to unpaid work in the home. These measures tended to boost the wages of men, by which reformers hoped to achieve the so-called "family wage": a wage level sufficient for one male worker to support an extended family. By the 1930s, the one-earner/one-homemaker family was firmly established as the ideal for America, and most personnel policies were developed to suit this model.¹⁰

From the beginning, however, this family model was more a stereotype than a reality. In many families, a single income never supported a spouse, children, and elderly relatives. Since World War II, fewer and fewer families have been able or willing to meet their work and family needs through a gender-based division of

labor, a fact reflected in the doubling of women's labor force participation rate between 1940 and 1980.¹¹

PUBLIC POLICY PRECEDENTS

Using legislation such as the proposed family and medical leave acts to restore the balance between family and work is not a new idea. Throughout this century, labor relations measures, income security programs, and civil rights laws have been adopted specifically to address the real needs of working families.

The National Labor Relations Act of 1935 recognized the right of unions to bargain, strengthening the ability of workers to negotiate for measures addressing family responsibilities. Unions have long recognized their workers' family needs, and have now joined the fight for family leave just as they did the struggles for adequate wages, sick leave, and retirement plans for their members.

The Social Security Act of 1935 established Social Security and Aid to Families with Dependent Children (AFDC) to supplement the incomes of families with elderly dependents or single female parents. The Fair Labor Standards Act of 1938 helped working families by setting a minimum wage.

The Civil Rights Act of 1964 sought to place women on an equal footing with men in the labor market by barring sex-based discrimination in employment. But the Equal Employment Opportunity Commission did not rule that firing or refusing maternity leave to pregnant workers was discriminatory until 1972, and even then it was overruled by the U.S. Supreme Court in 1976.¹² Congress acted to remedy this situation in 1978 by passing the Pregnancy Discrimination Act, which requires employers who offer any kind of temporary disability leave to also provide it for pregnant workers.

FAMILY LEAVE: THE GAIN OUTWEIGHS THE COST

Projected extra annual cost of childbirth to families with no parental leave **\$607 million**

Projected additional welfare payments to families with no parental leave **108 million**

Total **\$715 million**

Projected annual cost to employers of providing family and medical leave **\$212 million**

Sources: Institute for Women's Policy Research, U.S. General Accounting Office

A . . . DEAL. A GOOD DEAL

The failure of policymakers to address the interdependence of family and work responsibilities is costly for families, and for America. The IWPR study cited above shows that workers caring for newborn children or ill or elderly dependents often experience reduced wages, increased unemployment, and lost income. Because women do most of the care-taking for children and the elderly, they suffer the most: the study found that the wage gap between working mothers and working fathers increases by 60 percent over the first three years after childbirth.¹³

"We could less afford to lose these employees than to provide them with maternity or health leaves. The cost of orienting and training new employees is by far the greatest cost that the small-business owner bears."

But personal income lost because of childbirth or illness is also a measure of the production lost to society. Society loses as well when children or elderly parents receive inadequate care, or when workers ruin their health and possibly endanger others by trying to stay on the job during an illness.

A national standard for family and medical leave would eliminate the agonizing choices many workers must make between the need to earn money and the

need to care for their families. It would minimize periods of unemployment and reduce costs due to childbirth or family illness. It would make available to low-income families leave allowances now made mostly for high-income families, by virtue of the generous benefits that accompany most high-paying jobs.

Many businesses have already discovered the benefits of providing family and medical leave, including enhanced productivity, recruitment, and loyalty. For 32 years, Gene Boyer and her husband owned and operated a retail furniture outlet with 15 to 20 employees in Beaver Dam, Wisconsin. They allowed their employees to take extended, job-guaranteed leaves for illness, childbirth, and other family needs. "The fact is," Ms. Boyer told a congressional committee, "we could less afford to lose these employees than to provide them with maternity or health leaves. The cost of training and orienting new employees is by far the greatest cost that the small-business owner bears. The cost of keeping a loyal employee happy, healthy, and able to preserve the family's sense of well-being pales by comparison."¹⁴

Strong families are our nation's most vital resource. Just as there are social and economic benefits from fostering healthy families, there are costs of ignoring family needs. Requiring employers to provide a minimum of unpaid family and medical leave means asking them to share the responsibility for raising their future work force. AAUW believes that family and medical leave is a fair deal for families and businesses, and a good deal for America.



FOOTNOTES

1. Testimony of Tina Hurst, *Joint Hearings before the Subcommittee on Labor-Management Relations and the Subcommittee on Labor Standards of the Committee on Education and Labor, House of Representatives*, One Hundredth Congress, First Session (Washington, DC, February 25 and March 5, 1987), pp. 30-31.
2. *Work and Family: A BNA Special Report* (Washington, DC, Bureau of National Affairs, 1986), p. 10.
3. *Employee Benefits 1985* (Washington, DC, U.S. Chamber of Commerce Economic Policy Division Research Center, 1986), p. i.
4. United States General Accounting Office, "GAO's Estimate of the Costs of the Parental and Medical Leave Act of 1987, (S. 249)": statement of William J. Gainer, *Hearings before the Subcommittee on Children, Families, Drugs, and Alcoholism, Committee on Labor and Human Resources, Senate*, One Hundredth Congress, First Session (Washington, DC, October 29, 1987), forthcoming.
5. Sheila B. Kamerman and Alfred J. Kahn, *The Responsive Workplace: Employers and A Changing Labor Force* (New York: Columbia University Press, 1987), pp. 120-145.
6. Testimony of David Wilt, *Joint Hearings, Committee on Education and Labor, House of Representatives*, One Hundredth Congress, op. cit., p. 211.
7. United States General Accounting Office, "Parental Leave: Estimated Costs of H.R. 925, The Family and Medical Leave Act of 1987," Report to the Subcommittee on Labor-Management Relations, Committee on Education and Labor, House of Representatives, U.S. Congress (Washington, DC, November 1987), pp. 6,9; United States General Accounting Office, "GAO's Estimate . . ." op. cit., p. 1-2.
8. Heidi Hartmann and Roberta Spalter-Roth, *Unnecessary Losses: Costs of the Lack of Family and Medical Leave in the U.S.* (Washington, DC, Institute for Women's Policy Research (IWPR), December 1988), forthcoming.
9. GAO, "Parental Leave . . ." op. cit., p. 9, and "GAO Estimates . . ." op. cit., p. 1.
10. Julie A. Matthaei, *An Economic History of Women in America: Women's Work, the Sexual Division of Labor, and the Development of Capitalism* (New York: Schocken Books, 1982).
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12. *General Electric Company v. Gilbert*, 429 U.S. 125 (1976).
13. Hartmann and Spalter-Roth, op. cit., forthcoming.
14. Testimony of Gene Boyer, *Joint Hearings, Committee on Education and Labor, House of Representatives*, One Hundredth Congress, op. cit., p. 86.



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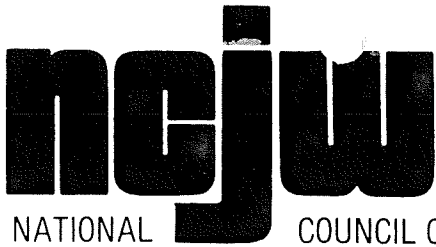
AAUW promotes equity for women, education and self-development over the life span, and positive societal change.

Sarah Harder, President

Anne L. Bryant, Ed.D., Executive Director

Ann Chipley, Director, Program and Policy
Department

This brief was prepared by Shelly Gehshan, Assistant Director, Kathy Vandell, Research Associate, and Julie Devaud, Staff Associate, Program and Policy Department, and Lauren Fishbein, Senior Editor, Communications Department. Single copies (\$1 for postage and handling for AAUW members, \$2 for nonmembers) and bulk orders (\$1.50/2-10, \$1/11-100, \$.80/101 and over) are available from the AAUW Sales Office, 2401 Virginia Avenue, N.W., Washington, DC 20037.



NATIONAL COUNCIL OF JEWISH WOMEN

GREATER KANSAS CITY SECTION

STATEMENT of NATIONAL COUNCIL OF JEWISH WOMEN
Greater Kansas City Section

Barbara Holzmark, Immediate Past President and Kansas Legislative Chair

Submitted to the Kansas Labor and Industry Standing Committee, Room 526 South
February 6, 1991

Good morning and thank you for allowing me to speak to you. I am Barbara Holzmark, immediate past president of the Greater Kansas City Section of the National Council of Jewish Women (NCJW). NCJW is the oldest Jewish Women's organization in America with 100,000 active volunteers in 200 communities nationwide. Since NCJW's establishment in 1893 when volunteers worked to gain passage of child labor laws, our organization has been concerned with the rights, needs and quality of life of the nation's children and youth. We have been a major force among voluntary organizations that engage in public education, community service programming, and advocacy on behalf of children and families. NCJW believes that individual well-being, acceptance of the diversity of families and respect for human dignity are fundamental to a healthy society. We therefore endorse and resolve to work for a continuum of services which is accessible and responsive to the needs of individuals and families. In the metropolitan Kansas City area we sponsor two CASA projects, one in Jackson County and one in Johnson County. We provide a hot lunch and entertainment once a month to approximately 150 blind men and women and we also contribute approximately \$50,000 to close to 70 area students for continuing education after high school. We deliver approximately 150 presentations a year about Israel and its people, to 6th grade students. We recently published a "first" directory on Family Day Care Resources for the 5 county metropolitan Kansas City area plus we collect personal hygiene items for the homeless.

Today, I have come to talk to you about why NCJW strongly supports passage of House Bill 2076 (an Act enacting the family and medical leave act; providing for unpaid leaves of absence from employment for certain employees for births, adoptions and family illnesses).

Since its first introduction on a **Federal level**, NCJW has been in the forefront of the effort to win passage of this legislation. I am proud to be here today to speak on behalf of NCJW on a **State level**.

Kansas has always been a leader in areas of Children and Families and here is one more way in which we can show America that Kansas cares to address the issues of today.

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Attachment #4 of 1

The Family and Medical Leave Act provides benefits and security to both the Employer and the Employee.

Why should we have this legislation and why does NCJW support this legislation?

There is no consistent leave policy for workers in Kansas or even in most businesses. Dramatic changes in the workplace are placing a tremendous strain on today's families. In the majority of American families, both parents are now working outside the home. Despite these changes, there is no state policy protecting jobs of workers in need of temporary leave upon the birth or adoption of a child, or a serious illness in the immediate family. This legislation would be a first step in setting a minimum standard to meet these needs.

Will this legislation cause hardships for small business?

As this Act is written, small businesses of less than 50 employees would be exempt. A full time employee of 20 hours per week or more cannot qualify unless he or she has been with the business for more than 52 consecutive weeks. With this as a pre-requisite, the worker is limited to 6 weeks in a 12 month period and 10 weeks in total over a 24 month period. The employer has flexibility in placing the employee back into an employment position. Actually a study done on the effect of Federal legislation on the business sector showed that family leave policies actually benefit small businesses. Comparing states with leave policies in place to those without such policies, total employment in parental leave states grew by 46% compared to 38% in non-leave states. A further study by NCJW in 1985, "Mothers in the Workplace" found that accommodating the needs and concerns of pregnant workers produces tangible benefits to employers in the form of increased productivity.

Would the costs be intolerable?

Sound cost estimates require reliable projections of benefit utilization. —That is, projections of how much leave employees would actually use, given the opportunity. The employer, however, is protected by giving group health insurance as it would not be in the best interest of that employee to look further for better employment. Most workers cannot afford to take extended periods of unpaid parental leave. By the same token, there is **no** reason to believe that most employers in most cases would opt to hire additional employees at premium prices for short durations. Thus, the only cost to the employer would be continuation of health coverage, if in place, and should not be an intolerable factor. The employer has security with the provisions listed in House Bill 2076 on page 4 lines 39-43 and page 5 lines 1-23. If the employee chooses to terminate employment prior to 30 days after leave, the escrow account will defray the costs. There's no big expense to the employer.

Will this bill lead to discrimination against women?

Women are not the only beneficiaries of this legislation, men benefit as well. Women **are** in the work force to stay and our State policy does not reflect this very significant and permanent change. In 1972 there were only 12 million working mothers in the country. Since the 70's, there has been a 108% increase in the number of married mothers with infants under the age of one in the work force. As of September, 1987, 48% of Kansas mothers with children under age 6 worked outside of the home, and 67% of Kansas mothers with children age 6 - 17 work outside the home. Women, having been the caretakers of children and parents have suffered disproportionately from business practices that force employees to choose between jobs and family responsibilities. A state family and medical leave act would help end this **de facto** discrimination against women. Further data from NCJW's "Mothers in the Workplace" study examined a large corporation offering two months parental unpaid leave to new parents. Less than half of their female employees requested any parental leave, subsequent to medical leave for maternity, and only 1 in 5 took the full two months offered.

Many employers already offer leave benefits similar to those proposed in House Bill 2076. On the Federal level these employers have generally not spoken out on behalf of this bill, nor have they actively opposed it. Unfortunately, all employers are not forthcoming with policies that meet the changing needs of the workplace. We must set minimum standards in order to create a level playing field for business and guarantee an important measure of job security to all workers. Is it unusual for a state to mandate labor policy? The Federal government mandates child labor laws, minimum wage stipulations, occupational health standards, social security and pension regulations, and a ceiling on the number of hours worked -- all labor standards. In each case, productivity has improved rather than faltered. Kansas can and should initiate a labor policy to help improve the state's unemployment and welfare rates. Kansas has the power to mandate minimum standards which would help the economy and business through higher rates of labor force participation and productivity, by strengthening families and household economies and by ensuring a healthy new generation of productive workers, caring parents and consumers.

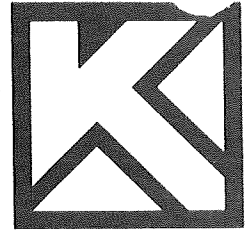
Thank you.

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LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry

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A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

HB 2076

February 6, 1991

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the
House Labor and Industry Committee
by

Terry Leatherman
Executive Director
Kansas Industrial Council

Mr. Chairman and members of the Committee:

My name is Terry Leatherman. I am the Executive Director of the Kansas Industrial Council, an arm of the Kansas Chamber of Commerce and Industry. Thank you for this opportunity to appear before you today to express the Kansas Chamber's opposition to HB 2076, the Family and Medical Leave Act.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

*Labor + Industry
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KCCI applauds Kansas businesses who have recognized providing a family and medical leave policy to be an important employee benefit. There is a body of evidence which indicates employers are recognizing the changes in the workforce by providing benefits to employees to meet their family needs. In the summer of 1989, KCCI surveyed its members on this subject. Fifty one percent of the 756 members who responded to the survey indicated they have an unpaid family leave policy, which includes an employment guarantee. The 51% positive response would swell to a higher level if the survey counted providing maternity leave or if it removed employers of less than 50 employees. A national study by the Bureau of Labor Statistics indicates that 60% of the country's businesses now provide flexible scheduling benefits, which includes part-time work after maternity leave, job sharing and flexible leave. These types of policies were nearly non-existent a decade ago.

The innovative approaches the business community has developed to adapt to work force changes and retain experienced trained employees is at the heart of KCCI's opposition to HB 2076. If this legislation is approved, the state of Kansas will be dictating an employee benefit for the 2,000 workers at a manufacturing plant in Winfield, for a department store in Overland Park, for a downtown law firm in Wichita, and for all other Kansas employers who share one common characteristic of employing more than 50 people. Fourth District Kansas Congressman Dan Glickman expressed this point when he explained to his colleagues in the U.S. House of Representatives his reasons for opposing legislation similar to HB 2076 last year.

"I did not support this legislation because I am truly concerned about the practicality of government involvement in this issue. I believe it would be extremely difficult to draft a logical law that takes into account the complex needs of working people across this country...The kinds of benefits that a firm provides to its employees should continue to be decided by negotiations between labor and management -- not mandated by the Government." (Congressional Record, May 10, 1990)

Another concern KCCI has about HB 2076 is the cost many Kansas employers will incur. The leave granted employees may be unpaid, but it will set off a chain of expenses which a business must absorb.

1. When legislation similar to HB 2076 was considered by Congress, the General Accounting Office estimated the cost of continuing health insurance coverage to employees on leave to be \$330 million dollars annually, for all employers. Kansas business numbers are not available, but it would be safe to estimate the health insurance costs for Kansas employers for HB 2076 to be tens of millions of dollars.

Another aspect about the health insurance costs of HB 2076 is it penalizes employers with generous employee benefit packages, since these employers will incur more expense to continue these programs while an employee is on leave than an employer with a less generous benefit program.

2. When an employer is faced with a leave situation, they will have several options to consider to replace the employee on leave. The first option is to attempt to replace the employee with a temporary worker. For many jobs in Kansas, this option is not practical since the time to train a new worker would make the decision counter-productive. A second option is to strive to have the remaining work force handle the responsibilities of the employee on leave. This option might call for overtime pay for remaining workers or salary incentives for the additional responsibilities. A third option an employer could consider is to accept the productivity loss from an understaffed work force. All of the options will prove costly for Kansas employers.

3. A major cost concern associated with HB 2076 is in the area of unemployment compensation. The job protection provision in the legislation will undoubtedly lead to businesses laying off replacement personnel for employees on leave. Since the replacement workers will clearly qualify for unemployment compensation benefits, and since benefits paid are a major part of the equation for determining an employer's unemployment compensation taxes, employers will face additional unemployment compensation costs if HB 2076 is approved.

Family and Medical Leave legislation is not a new concept. The United States Congress and probably every state legislature has considered the concept. Often, proponents of the legislation argue that the United States is the only industrialized nation in the world without a mandatory parental leave policy. However, KCCI feels that is only half of the equation. On the average, U.S. employers spend 37 cents of every payroll dollar on employee benefits. The array of employee benefits range from health and life insurance to pensions, to Social Security, to unemployment and workers' compensation. The responsibility our country's employers assume to provide employee benefits is unmatched by other industrialized nations, as is the productivity of the American workplace.

However, there is no more room in the employee benefit balloon for another government mandate. If HB 2076 is approved, a Kansas business has a couple of simple options. Let something out of their current employee benefit balloon to make room for this mandate. Or, they can push family and medical leave in with their other programs and hope the balloon does not burst.

Thank you for considering KCCI's position on this matter. I would be happy to attempt to answer any questions.



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PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, SECOND SESSION

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No. 58

Mr. GLICKMAN. Madam Chairman, today the House of Representatives considered and passed H.R. 770, the Family and Medical Leave Act. I did not support this legislation because I am truly concerned about the practicality of Government involvement in this issue. I believe it would be extremely difficult to draft a logical law that takes into account the complex needs of working people across the country. The kind of leave that is needed and appropriate will vary from situation to situation. I voted against this bill because I believe that it precludes the ability of employers to work out suitable arrangements in special circumstances involving family sickness and other health and maternity situations.

The Federal Government traditionally has not imposed particular benefit packages on employers and employees, and it should not begin now. The kinds of benefits that a firm provides to its employees should continue to be decided by negotiations between labor and management—not mandated by the Government. No kind of mandated national benefit can take into account the unique circumstances that individual businesses face. This bill goes against the current trend to flexible benefits such as cafeteria plans and forces all employees to accept benefits that they may neither want nor need.

Coming from a small business background myself, I understand that each special circumstance determines what amount of leave is appropriate, whether it be 4, 8 or 12 weeks. Businesses large and small need the flexibility to work with their employees to provide the type of benefit package that helps them most. If we come in and mandate one lone piece of the employee benefits pie, who is to say that the other fringe benefits that make up the package aren't more important to employees? Employers may have workers who prefer flextime, dental insurance, more vacation, or other benefits. These employers and employees both will suffer without the flexibility to decide what is best for them.

This year, Congress is considering a number of mandates which will affect the average business in this country, many of which I support. New minimum wage standards, which I fully supported, went into effect in April. The Americans with Disabilities Act, which I also support, will soon be considered here in the House. That law requires that companies provide employment opportunity and equal access to the disabled. The Civil Rights Act of 1990, currently being considered in the House Judiciary Committee, and which I have cosponsored, strengthens the laws prohibiting employment discrimination. In addition, I expect that legislation providing minimum health benefits for all workers will also become a reality in the near future.

But the Government should mandate on the business sector only those requirements which cannot feasibly and sensibly be handled between employers and employees in a negotiated context. While the reasons for the family and medical leave bill are very real indeed, the bill creates more problems than it solves.

MARTEN CRAFTS, INC.

dba BEN FRANKLIN CRAFTS

1101 Westloop

Manhattan, KS 66502

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Mr. Chairman and Committee Members,

I'm Dennis Marten and I am President of Marten Crafts, Inc. in Manhattan. We operate a Ben Franklin Craft store as a franchisee of Ben Franklin Stores. We also operate a picture framing store in Junction City. I appreciate the opportunity to state my opposition to HB-2076.

Now, I won't go into the anti-business signal that this bill would give to prospective business in Kansas. There are those much more verse in that area which I'm sure plan to testify. Nor will I discuss the difficulty of coping without employees for long periods of time, although I have several war stories I could share. I simply want to ask--no plead with you not to add to the interference in the employee/employer relationship.

My employees have been the key to the success in my stores. Not all my employees work just for a paycheck. In fact, most of them work at my store for the chance to work with craft materials and to help other crafters. They also work for me because I am very flexible with allowing time off. I have a competitive edge in employing and retaining quality people.

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attachment # 6 -1

I have just 18 employees. This bill would not directly apply to me. But it would take away one of my advantages. And as a retailer in today's business climate, I need any advantage I can get. I can't offer high pay. I can't offer lots of opportunities for advancement. I can't offer benefit packages to match large employers. But I can work individually with my employees, on a case by case basis, and allow them time off for a multitude of reasons. Including the reasons covered in this bill.

Please, I beg you. Don't force this bill on the big employers. You may think it won't harm those of us with under 50 employees, but it will.

Thank you. Are there any questions?

TESTIMONY BEFORE THE HOUSE LABOR AND INDUSTRY COMMITTEE
HB 2076 - THE FAMILY AND MEDICAL LEAVE ACT
FEBRUARY 6, 1991

My name is Mark Russell, and I am president of La Siesta Foods, Inc. My family purchased La Siesta in 1978, and we started out with 14 employees. We currently employ almost 300 people. I am very concerned about the potential impact of this bill upon my Company, and upon the business community.

This Act requires employers to return employees to their old job, or an equivalent job if the old job is not available. This bill gives the "fill-in" employee no rights to the job, even after they have gone through a significant training process to qualify. While my Company has almost 300 employees, there are a number of jobs which require a significant amount of training in order to perform them. It will make it very difficult for the employer to find someone willing to put up with the training for a job that may only last for 10 weeks. In addition, the employer may lose the "fill-in" employee after the "regular" employee returns to work, meaning that the employer has lost the investment made in training the "fill-in" employee and will be charged for that employee's unemployment insurance benefits. This bill makes the employer bear the cost of lost productivity while the replacement employee is being trained, the cost of training the replacement employee, the cost of the regular employee's health care coverage during the absence, and the cost of the unemployment insurance when the replacement employee loses the job. Our policy is to return the "regular" employee to the best job available when they decide to return. If that job is a lower paying job, then we will offer higher paying jobs when they come available to the "regular" employee until we are able to offer an equivalent job. This allows us to keep the "fill-in" employee who helped out during the absence, and the "regular" employee once they decide to return to work. This rule works because it is fair to both the Company and the employee.

The Act will also require continuation of the employee's health insurance coverage during the leave. This is an unfair cost to my company, because we offer health care to our employees. An employer who offers no health care coverage to their employees does not have to offer the same benefit. So, in essence, my company will be penalized for offering our employees health care. So far, we have battled to continue to offer health care to our employees without requiring them to contribute to cover the cost of coverage. Believe me, with the increases that we have seen in health care coverage in the past 3 or 4 years, battle is a carefully chosen word. The additional cost of this plan will cause us to reconsider whether we can afford to continue to offer this type of coverage without having our employees contribute to cover the cost of the coverage.

When the U.S. Congress changed the rules regarding pension plans to protect the employee, they did not count on the fact that the changes they made were so ominous that many companies discontinued their plans rather than trying to comply with the new rules. This bill could have the same impact on Kansas employers.

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Employees already have the right to continue their health care coverage during an absence through the COBRA Act, only they have to pay for it. They get the favorable group rate that the employer pays, and can have that coverage for up to 18 months. If there are significant medical expenses during the leave, and we are talking about leaves which certainly have the potential of creating large medical expenses, those expenses will go against the employer's policy and eventually raise their rates. Under the current system, the employer bears a substantial financial burden. This bill only serves to increase the burden being carried by business. It will create a negative atmosphere in Kansas, and make it more difficult to attract new companies here. It will also serve to restrict the growth of smaller companies already in Kansas. You need to consider the small thriving Kansas business, much as we were in 1978. As we grew, all of our finances were tied up in better equipment, or expanding, or inventory, or wage increases to keep good people. Growth always looks good on the income statement, but the net profit is rarely seen in the checking account. This bill puts a burden on the expanding business at a time when it can probably least afford it.

Currently, the marketplace sets the rate for wages. You are being asked to negotiate my employees' benefit package without ever meeting them. If we are not competitive, then no one accepts our job offers. If the State of Kansas mandates my benefit package, then we are at a disadvantage with the employers that offer nothing in the way of a benefit package except wages. Worse yet, my cost of labor would change each year as the benefits expand once this precedent is set. The Legislature is not the proper venue to negotiate wages and fringe benefits for Kansas employers.

We offer a competitive starting salary, and include employer-paid health care after fulfilling a waiting period requirement. I will tell you that employees do not care about health care coverage, that is until they need it. Not once during a job interview for my production personnel do we get asked about health care coverage. If we offered our employees health care coverage or the money that we spend on it each month, I believe that 90% of them would take the money. So when we offer our starting salary, the salary alone has to be competitive. We get no credit for the fact that we offer fully-paid health care. We offer it because it is the socially responsible thing to do. Adoption of this bill will penalize us for "doing the right thing".