

Paid leave proposal goes through the grinder in spending talks

By Eleanor Mueller

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President Joe Biden's plan to provide 12 weeks of paid family and medical leave to all workers is on the verge of a drastic cut as the administration and Congress scramble to shrink the price tag of their <u>social spending legislation</u> and <u>get it on track for a vote</u>.

The White House has whittled down its proposal to four weeks for lower-income workers that would expire after three to four years, five sources familiar with the negotiations said. It would cost a little more than \$100 billion, the sources said, compared to the nearly \$500 billion House Democrats approved earlier this year.

As of Friday morning, the White House hadn't ruled out that the program could be stripped from the package entirely, one source familiar with the conversations said.

The jockeying is a prime example of the trade-offs Democrats are being forced to make to satisfy moderates who want a much less costly spending package and progressives who are bent on saving cherished priorities from the ash heap. Some details of the evolving paid leave plan were first reported by the Washington Post.

Creating a paid leave program has long been one of the top goals of lawmakers and advocacy groups on the left. The U.S. is the only wealthy nation without a national paid leave policy: Just 23 percent of private-sector workers have access to paid family leave, according to the Bureau of Labor Statistics. Seventy-seven percent have access to paid sick leave.

Sen. <u>Kirsten Gillibrand</u> (D-N.Y.), Rep. <u>Rosa DeLauro</u> (D-Conn.), House Speaker <u>Nancy Pelosi</u> (D-Calif.), House Ways and Means Chair <u>Richard Neal</u> (D-Mass.) and other top Democrats have been lobbying heavily for the White House to keep the program as close as possible to what was first floated.

"We urge you to include a national paid leave program that is meaningful, comprehensive and permanent in the Build Back Better Act," 15 senators led by Gillibrand wrote in a letter to the White House this week. "It must be universal to cover all workers, provide progressive wage replacement to help the lowest wage earners, and cover all existing types of leave with parity."

The White House initially proposed spending around \$225 billion on a 12-week paid leave program, phased in over 10 years, for which all workers would be eligible. The House then approved legislation that would provide all workers with 12 weeks of paid leave, with no phase-in period, that would cost an estimated \$494 billion.

Senate Democratic leaders had been advocating for spending closer to \$300 billion on paid leave, <u>POLITICO reported earlier this month</u>. Options floated included cutting down the length of leave; slapping on an expiration date; and taking other action to pare down the House's program.

But a couple of weeks ago, Senate leaders and the White House told lawmakers they did not want to spend more than \$150 billion — enough to provide four weeks of leave for some workers under a program that would last indefinitely, a source familiar with the conversations said. (Four weeks of paid leave for all workers, indefinitely, would cost closer to \$200 billion, the source said.) They suggested giving some workers more leave than others for certain reasons, such as giving parents more time off than people recovering from cancer.

Treating the types of paid leave differently was a red line for Neal, a source familiar with the conversations said, and he and his staff pushed back. Their efforts were successful: The White House and the Senate reversed course a week ago on that issue.

But last weekend, the White House told the House it wanted to spend even less — just \$100 billion — on a paid leave program. That level of spending makes a permanent, four-week benefit impossible, a source familiar with the conversations said. The White House also said that it wanted an income cap to make some higher-income workers ineligible, which advocates say would be unfair to workers employed in more expensive regions.

"I am really worried about the fact that some people might be carved out by virtue of an income that doesn't say anything about whether they actually have access to paid family and medical leave or not," said Vicki Shabo, who studies paid leave at New America.

With the administration's proposed restrictions, qualifying workers would be able to access four weeks of paid leave for around three and a half years, sources said.

The White House has justified its continued scaling-down of the paid leave program as concessions to Sen. <u>Joe Manchin</u> (D-W.Va.), one source said. Manchin and Sen. <u>Kyrsten Sinema</u> (D-Ariz.) have urged their party to scale down the \$3.5 trillion package it initially floated.

Spokespeople for Manchin and Sinema did not immediately respond to requests for comment.

Even if the program is given an expiration date, Democrats are betting that congressional Republicans will come around on the idea of paid leave and support extending the program before it expires, a source familiar with the conversations on the Hill said.

Advocates say that — while they can get behind a four-week program — it's important that it is permanent.

"We believe that a robust and meaningful and permanent paid leave program can and must remain in this package," Dawn Huckelbridge, director of Paid Leave for All, said.

They warn that slapping an expiration date on the program could affect how many employers and states choose to participate:

"They'll have to make changes — and to make them and worry there will be a sunset will be difficult," said Sherry Leiwant, co-founder of A Better Balance.

Others underscore that a temporary, scaled-back program is preferable to it being cut from the package entirely.

"If we have four weeks, that's a great start," said Lelaine Bigelow, vice president for social impact and congressional relations at the National Partnership for Women & Families. "We haven't really entertained cutting off certain workers because it's been such a core principle of our whole campaign to actually cover everybody — but clearly there are cost savings when not everybody takes it."