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Senate Democrats drop paid leave from social spending package

By Eleanor Mueller

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Senate Democrats dropped paid family and medical leave, a key cornerstone of Joe Biden's presidential campaign, from their <u>social spending package</u> Wednesday after attempts to drastically pare it down were deemed insufficient, three sources familiar with the conversations said.

In previous rounds of negotiations, the White House warned House Democrats that paid leave would have to be cut back, one source said. Lawmakers and advocates had fought successfully to keep it in the package by making significant changes from the universal 12-week benefit Biden initially proposed.

But on Wednesday, the program fell victim to a broader effort to bring down the cost of the bill, which Democratic lawmakers plan to clear using reconciliation — the Senate procedure that allows passage of spending-related legislation with a simple majority. Moderate Sens. Joe Manchin (D-W.Va.) and Kyrsten Sinema (D-Ariz.) had said they would not vote for a measure that cost more than \$1.5 trillion — far from enough to fund the slew of progressive priorities included in the House-approved version of the package.

"I want to look at everything," Manchin told reporters Wednesday evening. But "to put this in a reconciliation bill ... is not the way to do it. I'm just saying: We have to be careful what we're doing. If we're going to do it, do it right."

Sen. <u>Kirsten Gillibrand</u> (D-N.Y.), a longtime advocate for paid leave, negotiated with Manchin throughout the week to keep the plan in the bill — sharing the stories of workers and drafting alternatives like an "employer-employee matched" policy, which in some states like Washington takes the form of a payroll tax. She plans to keep lobbying him "until the bill is printed," she said in an emailed statement.

"I'm trying to engage him on a proposal that I think meets his biggest concerns," Gillibrand told reporters Wednesday. "I'm not going to give it up."

"I believe I can convince him about it, but up until now he's been resistant," she said.

Rep. <u>Rosa DeLauro</u> (D-Conn.), who along with Gillibrand is sponsor of <u>the FAMILY Act</u>, said her efforts would also continue.

"I am not done pushing," she said. "I am going to keep fighting for the inclusion of paid family and medical leave until I see the final bill text. This is not over."

Already, advocates are fuming over what they see as an unwillingness by the White House to fight hard enough for a policy that they believe helped propel Biden to the presidency, particularly in the face of a public health crisis and an economic downturn that disproportionately hurt women and low-wage workers.

"It really boggles the mind that anybody could think that this should not happen for this country right now," said Sherry Leiwant, co-president of A Better Balance. "It's the one thing that will enable families to take care of themselves and each other."

ABB and other groups launched an eleventh-hour push to keep paid leave in the package, sending mass emails and flooding social media. The hashtag #SavePaidLeave appeared in posts by Paid Leave for All, National Women's Law Center and other groups, along with advocates like Service Employees International Union President Mary Kay Henry and Melinda Gates.

"We are deeply concerned about reports that paid leave has been removed from the Build Back Better package," said Lelaine Bigelow, the vice president for social impact and congressional relations at the National Partnership for Women and Families. "Paid leave is one of the most popular components of the package and leaving it out is a missed opportunity to advance a transformational care agenda that addresses the full range of challenges that women, especially low-income women and women of color, are facing."

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, <u>according to the Bureau of Labor Statistics</u>. Seventy-seven percent have access to paid sick leave. In both instances, they are disproportionately higher-paid workers.

A federal program used to be a nonstarter for Republicans and businesses. But support grew as smaller-scale programs got off the ground — 12 states and the District of Columbia have implemented their own versions of paid sick leave, while nine states and D.C. have rolled out a form of paid family and medical leave — along with the success of an emergency program. created to dole out Covid-related paid leave, and lobbying from the Trump administration generated more support for the idea.

As part of his American Families Plan, Biden proposed spending \$225 billion on 12 weeks of paid family and medical leave for all workers. The benefit, paid out on an income-based sliding scale, would have phased in over a decade.

Employees would have been able to use it to care for themselves, a newborn or another loved one — as well as to fill gaps created by a family member's military deployment, among other things. States and employers who created their own programs would have been eligible to receive grants, as long as their policies met the federal standard.

As part of its version of the bill, the House approved a paid leave program with the same structure — but no phase-in period. The provisions were estimated to cost around \$494 billion.

That draft set off a series of negotiations with the Senate, where leadership wanted to spend closer to \$300 billion. <u>Several options were floated</u>, including scaling down the length of the benefits and capping how much workers could receive.

Throughout, House Democrats and longtime supporters of paid leave — including Gillibrand, Rep. <u>Rosa DeLauro</u> (D-Conn.), House Speaker <u>Nancy Pelosi</u>, 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.

But the weekend of Oct. 16, the White House put its foot down. The administration informed lawmakers that the president supported four weeks of paid leave for lower-income workers funded at \$100 billion, sources familiar with the conversations told POLITICO.

The benefits, disbursed on an income-based scale, would expire after an estimated three to four years under that plan, one source said — a nonstarter for most paid leave advocates, who say that the benefit's permanence is critical to encouraging employers and states to participate in the program.

"A temporary paid leave program is insufficient," said Molly Day, executive director of Paid Leave for the United States. "It is imperative that the final bill meets the desperate needs of working families with a permanent federal framework."

The White House has mostly shifted the blame for the paid leave cutbacks to Manchin, one source familiar with the conversations on the Hill said.

The senator's team was meeting with paid leave advocates as recently as Monday, when a West Virginia coalition Zoomed with staffer Audrey Smith to discuss the specifics of the plan and how it could benefit the senator's constituents.

"They're looking at all the different moving parts and there are a number of moving parts," said Jim McKay, who was on the Zoom call. "It felt very much, candidly, that it was in the mix of things that are being discussed, to still be resolved."

Marianne LeVine and Burgess Everett contributed to this report.