

Missouri Earned Family and Medical Leave

Demographic Trends

- Women's participation in the workforce has been increasing for the past several decades, and women are more likely than men to report holding more than one job.¹
- In families with children, 93% of fathers and 71% of mothers were employed in 2016. Further, more and more working adults are caring for aging parents as well as household children. Women report spending more time caregiving than men.²
- Public opinion is overwhelmingly in support of some sort of paid family leave program across age, gender, and socioeconomic status.³

FMLA

- Passed in 1993, the federal law provides up to 12 weeks per year of unpaid leave to care for one's own serious illness, seriously ill family members, or to bond with a new child.⁴

State Programs

- California (2004), New Jersey (2009), Rhode Island (2014), New York (2018), and Washington (2020) have passed PFL legislation, though only the first three states have implemented it. Each has differing levels of time off, wage replacement, employee contributions, and requirements for entry into the program.
- Evaluations of these programs show that they provide benefits to employees and employers, with no discernable negative effects.⁵

Missouri's Efforts

- Executive Order 17-09 of March 2017 grants paid parental leave to all executive branch employees; primary caregivers are eligible for six weeks and secondary caregivers are eligible for three weeks, each at 100% wage replacement. Paid parental leave policies have also recently been adopted by Lieutenant Governor Mike Parson, State Auditor Nicole Galloway, State Treasurer Eric Schmitt, Attorney General Josh Hawley, and the Missouri House of Representatives. Also, four independent executive agencies governed by independent commissions have adopted paid leave policies.⁶
- The most current legislative attempts were House Bill 1059 sponsored by Representative Kelly, Senate Bill 291 sponsored by Senator Rowden, House Bill 659, sponsored by Representative McCreery, and Senate Bill 69 sponsored by Senator Jill Schupp. House Bill 659 calls for six weeks of leave at 100% wage replacement funded by a 0.25% employee payroll contribution. The fiscal note developed for HB 659 is examined further in this report.⁷

Estimating Contributions and Payouts

- The fiscal note for HB 659 uses the raw number of claims from New Jersey's paid leave programs in 2015 to estimate an annual take-up of 117,000 claims, an annual benefits payout of \$609,251,760, and annual employee contributions of \$309,250,137. There would also be administrative, technical, and start-up costs.
- The calculations in this report use the percentage of claims paid in New Jersey as opposed to the raw number. The percentage of claims paid in New Jersey in 2015 was 3.03%. If we apply this to Missouri's 2015 employed population, then the potential payouts become \$454,460,154 at six weeks of 100% wage replacement, or \$304,488,303 at six weeks of 67% wage replacement. If we use California's uptake percentage of 1.27%, then the potential benefits payments become \$190,482,302 at 100% or \$127,623,143 at 67% wage replacement.

Table 1: State PFL Programs by Date of Implementation

	Max. Leave	Wage Replacement	Employee Contribution	Employee Requirements
California (2004)	6 weeks	55%	1.3% cap	Earn at least \$300 in any calendar quarter; no size exemption
New Jersey (2009)	6 weeks	67%	0.06-0.12%	Work 20 weeks or earn \$7,150 in the past year; no size exemption
Rhode Island (2014)	4 weeks	60%	1.2% cap	Work at least 30 hours per week for the past year; be continuously employed; optional for <50 employees
New York (2018-2021)	8-12 weeks	50-67%	0.126% cap	Work full-time for 26 weeks in the past year; no size exemptions
Washington (2020)	12 weeks	90%	0.4% split between employers and employees	Work at least 820 hours in the past year; optional for < 50 employees

Table 2: Projected Payouts of Missouri Paid Leave programs

(Constants: Six weeks of leave, \$867.88 avg. weekly salary

Projected Avg. Annual Revenue with 0.25% employee payroll contribution: \$309,250,137)

	Probable Leave Takers	Cost at 100% replacement	Cost at 67% replacement
Fiscal Note (2015)	117,000	\$609,251,760	\$408,198,679
New Jersey (2012) (3.13%)	86,532	\$450,596,353	\$301,899,556
New Jersey (2015) (3.03%)	87,274	\$454,460,154	\$304,488,303
California (2012) (1.22%)	33,728	\$175,631,140	\$117,672,864
California (2015) (1.27%)	36,580	\$190,482,302	\$127,623,143

¹ “Women in the Labor Force: A Databook. Report 1059.” December 9, 2016. Bureau of Labor Statistics. <https://www.bls.gov/opub/reports/womens-databook/archive/women-in-the-labor-force-a-databook-2015.pdf>; “American Time Use Survey.” 2016. Bureau of Labor Statistics. <https://www.bls.gov/tus/#database>.

² “Employment Characteristics of Families – 2016.” 2017. Bureau of Labor Statistics. <https://www.bls.gov/news.release/pdf/famee.pdf>; Toohey, Gary. “Stuck in the Middle: The Sandwich Generation.” *Precedent: A Quarterly Publication of the Missouri Bar* 7(4): 6-17; “American Time Use Survey.” 2016. Bureau of Labor Statistics. <https://www.bls.gov/tus/#database>.

³ Horowitz, Juliana, Kim Parker, Nikki Graf, and Gretchen Livingstone. March 23, 2017. “Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Policies.” *PEW Research Center*.

⁴ “The Family and Medical Leave Act.” US Department of Labor. <https://www.dol.gov/whd/regs/compliance/1421.htm>.

⁵ “Nine Facts About American Families and Work.” June 2014. The Council of Economic Advisors. <https://obamawhitehouse.archives.gov/the-press-office/2014/06/20/white-house-report-nine-facts-about-american-families-and-work>; “Paid Family Leave: Ten Years of Assisting Californians in Need.” 2014. California Employment Development Department. http://www.edd.ca.gov/disability/pdf/Paid_Family_Leave_10_Year_Anniversary_Report.pdf; Harrington, Brad, Fred Van Deusen, Jennifer Sabatini Fraone, and Samantha Eddy. 2014. “The New Dad: Take Your Leave: Perspectives on paternity leave from fathers, leading organizations, and global policies.” Boston College Center for Work and Family; Bedard, Kelly and Rossin-Slater, Maya. October 13, 2016. “The Economic and Social Impacts of Paid Family Leave in California: Report for the California Employment Development.” California Employment Development Department. http://www.edd.ca.gov/Disability/pdf/PFL_Economic_and_Social_Impact_Study.pdf; Baum II, Charles and Christopher J. Ruhm. 2016. “The Effects of Paid Family Leave in California on Labor Market Outcomes.” *Journal of Policy Analysis and Management* 35(2): 333-356.

⁶ “Paid Parental Leave Expands in Missouri to Include More State Employees.” Women’s Foundation. December 14, 2017. <http://www.womens-foundation.org/news/2017/12/14/paid-parental-leave-expands-in-missouri-to-include-more-state-employees>.

⁷ House Bill 659 text