

HB 193

Paid Parental Leave

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Summary of the Bill

- Would establish the Alaska Parental Leave Program
- Use existing infrastructure in State Department of Labor & Workforce Development
 - Existing employee contributions to UI could be used for this program
- Limited to those who have been paid at least \$2,500 in wages during at least two calendar quarters
- Reimbursement rate is based on their wages in base period
- Maximum number of 26 weeks of paid leave
- Allows self-employed people to elect coverage for 3-year periods

Analysis

- Estimate the amount of revenue generated annually
- Estimate total cost of the program
 - Estimate number of covered births and caregivers
 - Estimate reimbursement rates for those caregivers
- Provide insight into potential policy levers to increase program sustainability

Results

- From UI data provided, could see ~\$19 million in annual revenue
 - About 2/3 of births estimated to be covered by UI insurance given size of employed population
 - Predicting the annual number of covered births using 2020-2024 data
 - Using Crude Birth Rate: 6,001-6,464 births
 - Using Fertility Rate: 6,167-6,727 births
 - Real Births in 2023 were 9,095
1. Predicting the cost of a **single parent** taking leave, based on age distribution of birth and UI reimbursement rate by age group for **females**: \$63 million - \$68 million
 2. Predicting the cost of a **single parent** taking leave , based on age distribution of birth and UI reimbursement rate by age group for **males**: \$80 million - \$88 million
 3. Predicting the cost of a **single parent** taking leave , based on **Real Births** and **maximum** UI reimbursement rate: \$148 million
 4. Weighting Real Births using Fertility rate based on age distribution and UI reimbursement rate by age group for **females**: **\$92 million**

Potential policy levers

- UI tax rate could be increased or other revenues developed
- Change number of covered parents
 - Provide coverage by household instead of individual
 - Change the progressivity of the program
 - More stringent rules for self-employed people taking coverage
- Change the duration of benefits
- Change the generosity of benefits
- Cap benefits at household level
- Expand program