

HB

224

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An Act Relating to Employment Rights BRU: Personnel
Based on Pregnancy, Childbirth, and Adoption.
 Sponsor: Brown, Ulmer, Pearce, Ellis, * Components: Centralized Administrative Services
 Requestor: _____

* Collins, Gruenberg, and Goll

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:	0	0	0	0	0	0
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

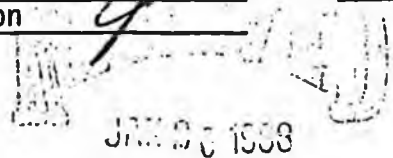
ANALYSIS: (Attach a separate page if necessary)

HB 224 will not cause an increase in expenditures.

Prepared By: Diana DeSimone Phone: 465-4430
 Division: Personnel Date: 1-21-88

Approved by Commissioner: John M. Andrews Date: 1/23/88
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)



HB 224

HOUSE COMMITTEE REPORT

(11)

Date referred: 5/9/87

FURTHER REFERRALS:

DATE: 5-14-87

The Finance Committee has considered HB 24

"An Act relating to employment rights based on pregnancy, childbirth, and adoption."

RECOMMENDS:

- replace with CS HB 224 (JUD) the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published 4-29-87
- zero with analysis

SIGNING DO PASS:

Pat Panchat

Cliff Swacht

Mark Bauer

Peter Jan

Tay Brown

Mike W. ...

SIGNING OTHER RECOMMENDATIONS:

Al Adams - Do NOT PASS

Ronald J. Farnon - No Rec.

Steve King - No Recommendation

Joe Frank - No Rec.

Kay Wallis - no rec

Al Adams

 Chairman's signature

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: CSHB 224 (JUD) ~~HOUSE~~
Publish Date: HOUSE 4/29/87

REQUEST

Revision Date: _____ Agency Affected: All
Title: An Act Relating to Employment Rights BRU: All
Based on Pregnancy, Child Birth, and Adoption
Sponsor: * _____ Components: All
Requestor: _____

* Brown, Ulmer, Pearce, Ellis, Collins, Gruenberg, and Coll
EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

HB 224 will not cause an increase in expenditures.

Prepared By: Diana DeSimone *DD* *MS* Phone: 465-4430
Division: Personnel *IV* Date: 4/6/87
Approved by Commissioner: Garrey Peska *GP* Date: 4/7/87
Agency: Department of Administration

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Original sponsors: Brown, Ulmer,
Pearce, et al.

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE
2 CS FOR HOUSE BILL NO. 224 (Judiciary)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to employment rights based on preg-
7 nancy, childbirth, and adoption."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

10 (1) the number of single-parent households and two-parent house-
11 holds in which the single parent or both parents work outside the home is
12 increasing significantly;

13 (2) it is important to the development of a child and to the
14 family unit that parents be able to participate in early childrearing; and

15 (3) the lack of employment opportunities to accommodate working
16 parents can force individuals to choose between job security and parenting.

17 (b) The legislature declares that the purposes of this Act are

18 (1) to balance the demands of the workplace with the needs of
19 families, and to promote stability and economic security in families;

20 (2) to entitle employees to take reasonable leave for the birth
21 or adoption of a child; and

22 (3) to accommodate the legitimate interests of employers.

23 * Sec. 2. AS 18.80 is amended by adding a new section to read:

24 Sec. 18.80.225. PREGNANCY, CHILDBIRTH, AND RELATED CONDITIONS.

25 (a) An employer shall grant an employee whose health is affected by
26 pregnancy, childbirth, or a related medical condition the same employ-
27 ment benefits and privileges that the employer grants to other employ-
28 ees with similar ability to work who are not so affected, including
29 allowing the employee to take disability or sick leave or other

1 accrued leave that the employer makes available to temporarily dis-
2 abled employees. However, except as provided in (d) of this section,
3 an employer is not required to provide an employee health insurance
4 coverage for the medical costs of pregnancy, childbirth, or a related
5 medical condition. The inclusion in health insurance coverage of
6 provisions or coverage relating to medical costs of pregnancy, child-
7 birth, or a related medical condition does not require the inclusion
8 of other provisions or coverage. Coverage of a related medical condi-
9 tion is not required by virtue of coverage of medical costs of preg-
10 nancy, childbirth, or another related medical condition.

11 (b) An employer shall permit an employee who has been employed
12 by the employer for at least three consecutive months immediately
13 preceding the anticipated leave, to take family leave for a total of
14 18 workweeks because of the birth of a child of the employee or the
15 placement of a child with the employee for adoption. The leave may be
16 unpaid leave. However, the employee may choose to substitute, or the
17 employer may require the employee to substitute, accrued paid vacation
18 leave, sick leave, personal leave, or other paid leave during this
19 period. The leave shall be taken immediately preceding and immediate-
20 ly following the birth or placement of the child. If the employee is
21 entitled to a longer period of time under (a) of this section, then
22 the longer period applies.

23 (c) An employee who plans to take leave under (a) or (b) of this
24 section shall give the employer reasonable notice of the date the
25 leave will commence and the estimated duration of the leave.

26 (d) During the time that an employee is on leave under this
27 section, the employer shall maintain coverage under any group health
28 plan at the level and under the conditions that coverage would have
29 been provided if the employee had continued in employment continuously

1 from the date the leave commenced to the date the employee returns
2 from leave under (e) of this section. However, the employer may
3 require that the employee pay all of the costs for maintaining health
4 insurance coverage during a period of unpaid leave.

5 (e) Unless the employer's business circumstances have changed to
6 make it impossible or unreasonable, when an employee returns from
7 leave under (a) or (b) of this section, the employer shall restore the
8 employee

9 (1) to the position of employment held by the employee when
10 the leave began; or

11 (2) to a substantially similar position with substantially
12 similar benefits, pay, and other terms and conditions of employment.

13 (f) An employer may not refuse to temporarily transfer a preg-
14 nant employee to an existing, unfilled position that is less strenuous
15 or less hazardous if the employee requests the transfer, the transfer
16 is recommended by a licensed health care provider, the employee is
17 qualified to perform the job, and the transfer will not subject the
18 employer to legal liability. An employer shall compensate an employee
19 who requests a transfer under this subsection at least the lesser of

20 (1) the rate at which the employee was compensated immedi-
21 ately before requesting the transfer, as adjusted by changes to com-
22 pensation that apply generally to the work force; or

23 (2) the rate of compensation set for the position into
24 which the employee transfers, as adjusted by changes to compensation
25 that apply generally to the work force.

26 (g) This section does not affect any other provision of law
27 relating to sex discrimination or pregnancy.

28 (h) This section applies to an employer only if the employer
29 employs at least 15 employees for each working day during each of at

1 least 20 calendar workweeks in either the current calendar year or the
2 preceding calendar year. However, this section does not apply to a
3 facility of an employer at which fewer than 15 employees are employed
4 if the combined number of employees employed by the employer within 50
5 road miles of the facility is fewer than 15.

6 * Sec. 3. AS 39.20.225 is amended by adding a new subsection to read:

7 (d) An officer or employee who is otherwise qualified to take
8 leave of absence may take a maximum of 18 weeks of leave immediately
9 preceding and following the birth of a child or the placement of a
10 child with the officer or employee for adoption. An officer or em-
11 ployee taking leave under this subsection shall use accrued personal
12 leave. After exhausting accrued personal leave, the officer or em-
13 ployee may take leave without pay for the balance of the 18-week
14 period.

15 * Sec. 4. AS 39.20.225(b)(4) is repealed.

By BROWN

PROPOSED AMENDMENT TO CSHB 224 (JUDICIARY)

Page 3, Line 17, insert after the word 'qualified':

Add the words "and able"

*K Brown
never MOVED
this am.*

Kay Brown

Alaska State Legislature House of Representatives

M E M O R A N D U M

TO: Rep. Al Adams, Chair
Rep. Pat Pourchot, Vice-Chair
House Finance Committee

DATE: May 12, 1987

FROM: Rep. Kay Brown

RE: CSHB 224 (Judiciary)
act relating to em-
ployment rights

CSHB 224 (Judiciary), the "parental leave bill", has received a "Do Pass" recommendation from both the House HESS and the House Judiciary Committees. This bill has now been referred to the House Finance Committee for consideration.

Thank you for scheduling a hearing on Wednesday, May 13 at 8:00 a.m. I have prepared a revised sectional. The Fiscal Note indicates that the bill would have a zero fiscal impact.

The problem is that research indicates that bonding is seriously impaired if parents cannot spend time with a new child. Nonetheless, many parents may lose their jobs if they take a leave of absence when they have a baby.

The problem is widespread: according to the Economic Policy Council of the United Nations, the majority of working women nationwide will be forced to return to work within three weeks of a child's birth. Many of these women are responsible for the economic security of the child.

The problem is particularly acute in Alaska where, as the Bill Analysis prepared by the Department of Health and Social Services points out, both parents in 46% of Alaska's two-parent households and 60% of Alaska's single mothers with children under the age of six work outside the home. Furthermore, many parents in Alaska do not have extended family members to help during the critical adjustment period.

Because the problem is so widespread, response is occurring nationwide. Nineteen states have passed some sort of job protection for pregnant women or new parents. Twenty-eight states are currently considering legislation or amending existing legislation in this area. Federal legislation, upon which CSHB 224 (Judiciary) is modeled, is pending before the

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U.S. House and Senate. Similar legislation, SB 124, has been introduced before the Alaska Senate by Senator Josephson.

The parental leave bill would provide employees with a degree of employment security and a reasonable opportunity to adjust to and bond with a new family member by allowing an employee to take up to 18 weeks of unpaid leave at the time of birth or adoption of a child. It also would require an employer to make temporary disability benefits equally available to all employees (including those incapacitated by pregnancy) and, under certain circumstances, to transfer pregnant employees to less hazardous or strenuous positions.

The concept of Parental Leave enjoys wide support. To date, the Department of Health and Social Services, the National Organization of Women, the Alaska Public Employees Association, the Alaska State AFL-CIO, the American Association of University Women, Alaska Women's Lobby, the International Brotherhood of Electrical Workers, the Alaska Women's Commission, KIDPAC, the League of Women Voters, the Association of School Boards, and NEA-Alaska support this bill. The only opposition has been from a small business organization, the National Federation of Independent Businesses. However, the bill exempts small employers having fewer than 15 employees; 88.2% of small employers (under 50 employees) in Alaska would not be affected by this bill. See Table of Employment in Alaska, September 1986 in the bill folder.

CSHB 224 (Judiciary) has made other important compromises in favor of business: it does not apply when changed business circumstances make application impossible or unreasonable, it does not mandate leave to care for seriously ill family members, and it only requires restoration to a "substantially similar position" (not the "same" or "equivalent" position).

The protection offered by the parental leave bill is modest compared to the policies of other industrialized nations. See: Comparison of National Maternity Leave Policies, attached. See, also, Global Survey, 1984, included with Judiciary Committee materials. It is also less encompassing than the proposed federal legislation.

Kay Brown

Alaska State Legislature House of Representatives

M E M O R A N D U M

SUBJECT: CSHB 224 (Judiciary), an act relating to employment rights based on pregnancy, childbirth, and adoption

DATE: May 4, 1987

FROM: Rep. Kay Brown *Kay*

The following is a section-by-section analysis of CSHB 224 (Judiciary), the Parental Leave bill.

Section 1 states the legislative findings regarding the social conditions which support this legislation.

Section 2, paragraph (a) requires an employer to grant pregnant employees the same benefits that the employer would grant to other employees who were temporarily disabled for other reasons. The section makes it clear that the employer is not required to carry health insurance covering pregnancy.

Section 2, paragraph (b) requires an employer to give an employee up to 18 weeks leave for the birth or adoption of a child. The employee must have worked for the employer for at least three consecutive months immediately preceding the leave. The leave may be unpaid. The employer can require or the employee can choose to substitute accrued paid leave.

Section 2, paragraph (c) requires the employee to give reasonable notice of the time and duration of leave.

Section 2, paragraph (d) requires the employer to maintain health insurance coverage during the period of leave. The employer may require the employee to bear the costs.

Section 2, paragraph (e) requires an employer to restore the employee to the same or substantially similar employment. The employer need not do so if the employer's business circumstances have changed to make restoration impossible or unreasonable.

Section 2, paragraph (f) requires an employer to transfer a pregnant employee to a vacant, existing and less hazardous or strenuous job if the employee's request is based on the recommendation of a licensed health care provider, the

employee is qualified for the requested position, and the transfer will not subject the employer to legal liability (for example, under a collective bargaining agreement). The employee will be paid at the lower salary.

Section 2, paragraph (g) prevents the bill from affecting any existing law regarding sex discrimination or pregnancy.

Section 2, paragraph (h) limits the bill to employers having 15 or more employees who work 20 or more weeks of the year. Employers having fewer than 15 employees at any one facility (but more than 15 employees total) are exempted if they do not have more than 15 employees working within 50 road miles.

Sections 3 and 4 amend the existing statutes to conform the benefits of state employees with the provisions of this bill.

MATERNITY AND PARENTAL LEAVE POLICIES: A COMPARATIVE VIEW

COUNTRY	DURATION	JOB SECURITY	AMOUNT/DURATION	RECIPIENT
CANADA	17-41 WEEKS	YES	60%/15 WEEKS	MOTHER
ITALY	22-48 WEEKS	YES	80%/22 WEEKS	MOTHER
GERMANY	14-26 WEEKS	YES	100%/14-18 WEEKS	MOTHER
SWEDEN	12-52 WEEKS	YES	90%/38 WEEKS	MOTHER or FATHER
FINLAND	35 WEEKS	YES	100%/35 WEEKS	MOTHER or FATHER
AUSTRIA	16-52 WEEKS	YES	100%/20 WEEKS	MOTHER
CHILE	18 WEEKS	YES	100%/18 WEEKS	UNSPECIFIED
USA*	0	0	0	0

* No Federal Policy

Source: Women at Work, ILO Global Survey, 1984;
Kamerman, Maternity & Parental Benefits & Leave, 1980.

Comparison of National Maternity Leave Policies

Country	Duration	Job Security	Salary during leave
ASIA			
JAPAN	12 WKS	YES	60%
THAILAND	60 DAYS	YES	100%
AFRICA			
EGYPT	50 DAYS	YES	75%
NIGERIA	12 WKS	YES	50%
SOUTH AMERICA			
BRAZIL	12 WKS	YES	100%
CHILE	18 WKS	YES	100%
MIDDLE EAST			
IRAQ	10 WKS	YES	100%
ISRAEL	12 WKS	YES	75%
EUROPE			
FINLAND	258 DAYS	YES	45%
FRANCE	16 WKS	YES	90%
GERMANY	14 WKS	YES	100%
ITALY	5 MONTHS	YES	80%
EASTERN EUROPE			
BULGARIA	120 DAYS	YES	100%
POLAND	16-18 WKS	YES	100%
USSR	112 DAYS	YES	100%
NORTH AMERICA			
MEXICO	12 WKS	YES	100%
U.S.A.	0	NO	0

*Figures for June 1984. Figures from survey by International Labour Office, Switzerland
 Reprinted with permission from the August/September 1986 issue of National Business Woman*

News

NATIONAL FEDERATION OF INDEPENDENT BUSINESS

RESPONSE TO INTRODUCTION OF PARENTAL LEAVE LEGISLATION
BY JOHN SLOAN
PRESIDENT AND CEO
NATIONAL FEDERATION OF INDEPENDENT BUSINESS

FEB. 3, 1987

As the representative for more than a half-million small- and independent-business owners all across America, the National Federation of Independent Business today re-confirms its opposition to any proposed legislation mandating benefits by employers.

The bill introduced today by Reps. Patricia Schroeder of Colorado and William Clay of Missouri is a measure which has been created in an atmosphere devoid of substantive information and input from the small-business community.

Rep. Schroeder, in a recent interview with a major daily newspaper, said that parental leave is more a "minimum labor standard" than a fringe benefit---not unlike child labor laws or wage and hour laws.

This statement reveals a shocking naivete by Rep. Schroeder concerning the relationship between benefits and jobs in the U.S. economy. Should mandated employee benefits such as parental leave and medical leave become "family rights," they will pre-empt the economic discretion of the employer and supplant bargaining between employee and employer.

The number one problem for American small businesses, according to a survey of NFIB members, is the cost of health insurance. Legislating new benefits will only exacerbate this problem and threaten the survival of smaller firms. For small businesses, health insurance is the most common type of fringe benefit provided to employees and yet, over one third of small employers do not provide coverage largely because of workforce composition or cost. Small businesses expand benefit coverage as their profitability increases; nowhere is this fact recognized in the legislation. Rather, dictating a new benefit is more likely to reduce an employee's total benefits package, eliminate some key benefits such as health insurance or pension coverage or worse, eliminate new jobs.

-more-

Rep. Schroeder also claims that parental leave has not caused problems in countries that have gone much further on the issue. We have only to look at the misbegotten European experience to see how devastating government-imposed benefits can be. Although the U.S. is the only industrialized nation without a policy for job and income-protected medical and family leaves, it continues to create jobs at an overwhelming rate. European countries, with their growing non-wage benefits, have seen no net job creation since 1975.

The major share, 70-80 percent, of all new job creation in this nation today comes from the small-business sector, not the Fortune 500, which lost 3 million jobs between 1980-83. At a time when the President and Congress have widely acknowledged that our nation is teetering on the brink of losing its competitiveness, to place burdens such as mandated parental leave on our most productive and competitive economic resource is unimaginable and most certainly unwise in today's rapidly changing global market.

Attached to this statement are charts which detail the relationships between such policies and economic indicators among the European nations. To highlight:

*Those nations with the lowest proportion of benefits to wages--Australia, USA and Japan--also have the highest levels of employment growth. (Charts 1 & 2)

*These same nations exhibit lower levels of unemployment and duration of unemployment. (Charts 3 & 4)

*Moreover, in looking at female labor participation rates, it would appear that increasing fringe benefits (as a percentage of wages) has no effect. (Chart 5)

*American companies have been boosting their productivity by adding more capital and more labor, but European companies have been utilizing capital instead of labor. Labor market rigidities, wage and benefit mandates are resulting in excessive substitutions of capital for labor in Europe. (Chart 6)

NFIB members, 82 percent of whom opposed mandated parental and disability leave in a recent survey, have been vocal on this subject. Here are some of their comments:

-Paris, TX: "These bills effectively increase an employer's cost of labor with no commensurate increase in productivity. It can only have an inflationary impact on our economy. It seems obvious that this discourages additional hiring instead of the encouragement that is needed."

-more-

-Pocatello, ID: "We are all sympathetic toward our employee's needs. We want the best for our people and therefore let us take care of our people on an individual basis. We certainly do not need any more paperwork and red-tape from our government. ...you could be doing everyone a disservice if this proposed legislation forces some of us out of business. The jobs for 30 people could be lost for the sake of one or two."

-Albany, GA: "If this bill came about, with 75 percent of my employees being female, I would have to add 10-15 employees to my payroll just to make up for their leave. I do have a voluntary plan with my employees that when they do leave for parental and family sicknesses they have paid days off and some unpaid days off. I do hold jobs open for them. I believe this action is better voluntary rather than mandatory."

-Dallas, TX: "Our company, as policy, has always granted non-paid leave for maternity and injury/health recovery, so this would make no difference to our pattern of employee relationships--what we feel is objectionable is the 'mandatory' nature of the policy. Step One in legislation is usually followed by Step Two, and that would be paid leave time for these extended periods. This, we feel, would be an oppressive burden of a small business."

As you can see from these statements, small-business owners are not anti-family or only pro-profit. They know the value of recruiting and retraining productive employees. An NFIB survey reveals that three-quarters of our members already provide time off to employees without loss of jobs or benefits. But, they are also realists who know that their operations can only sustain a certain level of government intervention.

Tomorrow, the National Commission on Jobs and Small Business will release its report: MAKING AMERICA WORK AGAIN: JOBS, SMALL BUSINESS, AND THE INTERNATIONAL CHALLENGE. That report, which for the most part is embargoed, reaches some very important conclusions---not the least of which is that America must work to improve the environment for small business and encourage entrepreneurship, business formation and job creation---or suffer the consequences. The call for mandated employee benefits is contrary to that idea.

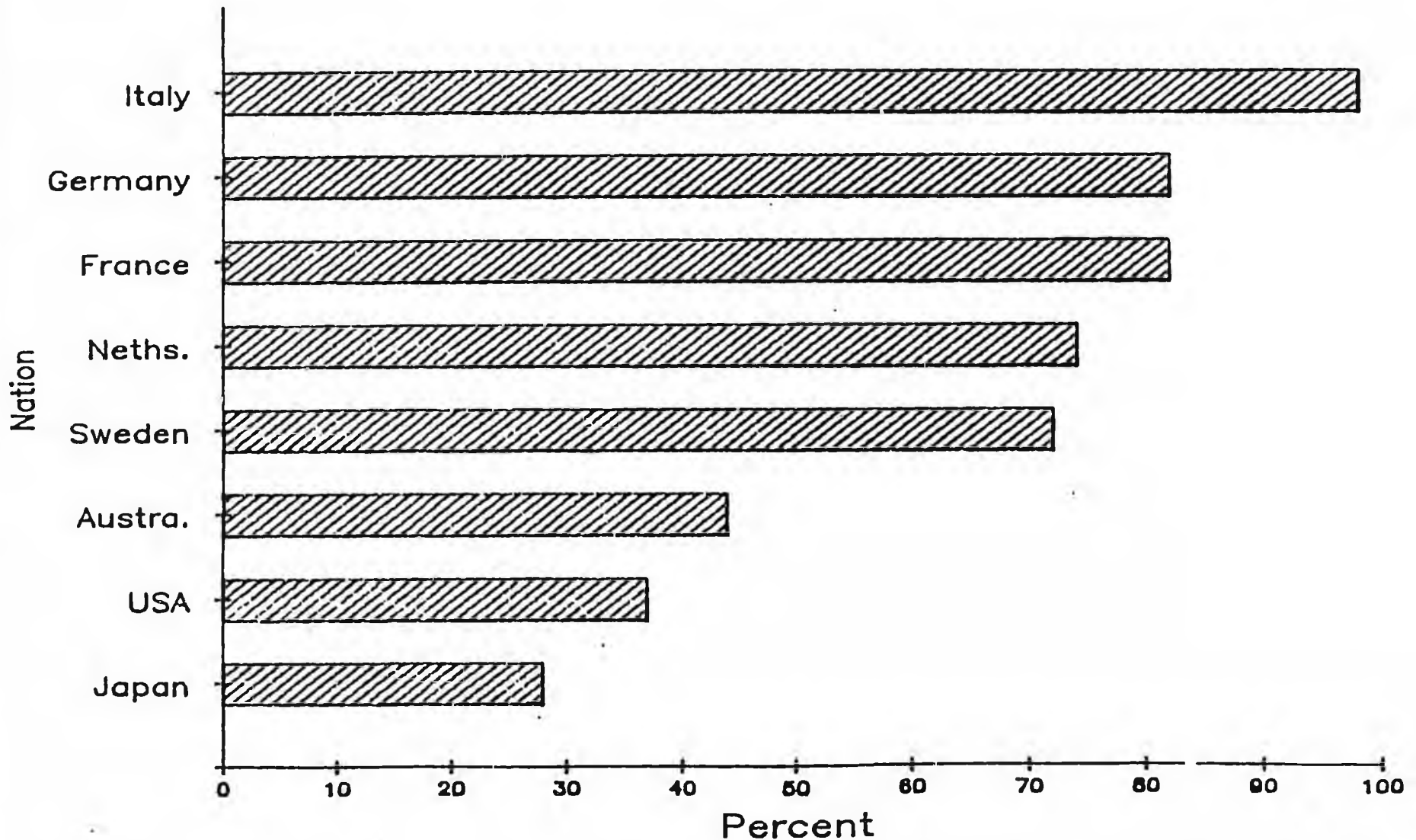
Legislation that mandates such benefits as parental leave will devastate small businesses and destroy the very jobs advocates seek to protect. We encourage Congress to weigh the costs of such a measure very carefully before proceeding toward action on this bill. To enact such an ill-conceived law will almost certainly eliminate jobs, bankrupt companies and, in the long run, ensure the continued downhill slide of our national competitiveness.

-end-

(SEE ATTACHED CHARTS ON EUROPEAN EXPERIENCE)
For Further Information Contact: Terry Hill, (202) 554-9000

CHART 1

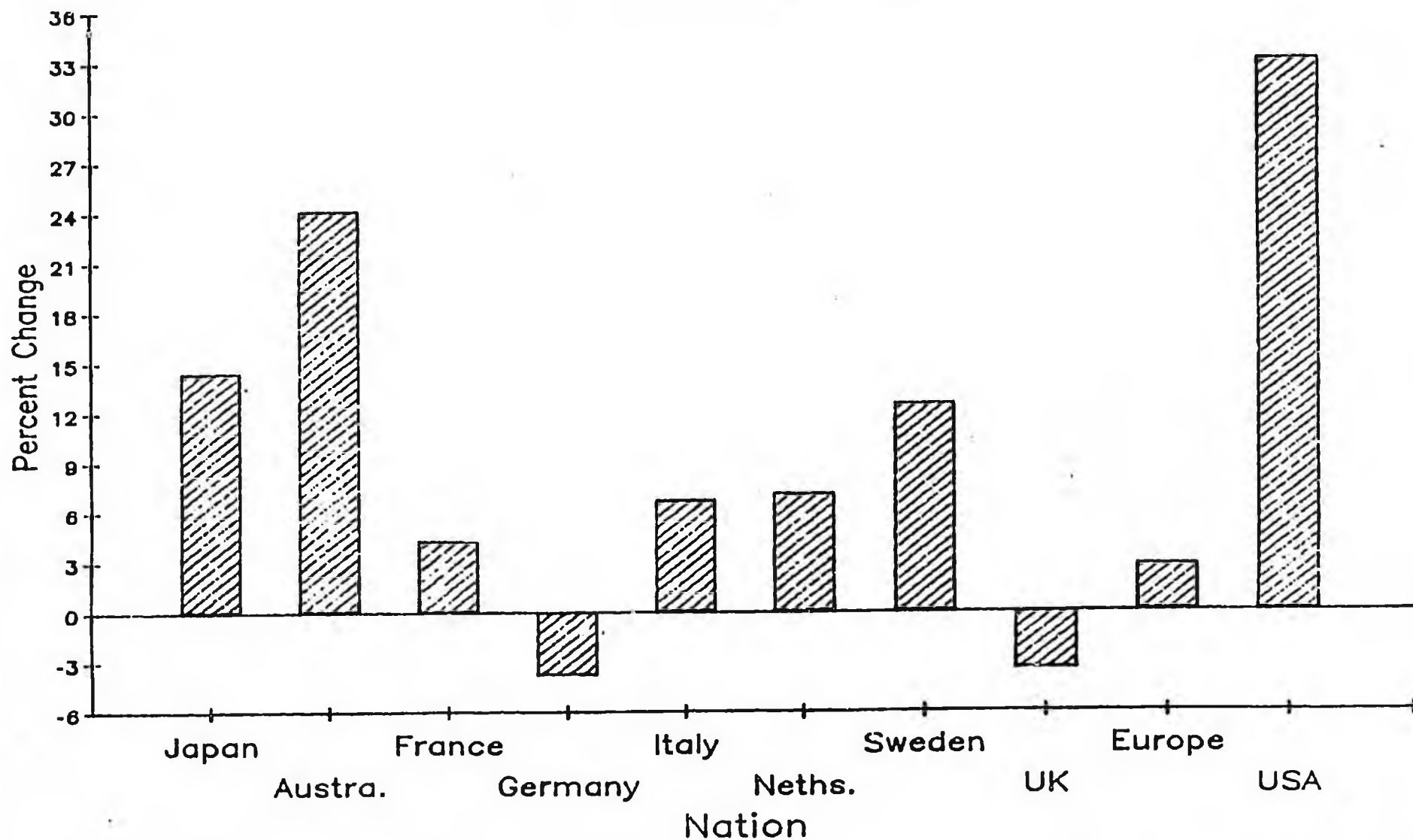
FRINGE BENEFITS AS A PERCENTAGE OF WAGES IN MANUFACTURING INDUSTRIES BY SELECTED NATION: 1985



Source: Cologne Institute of the German Economy

CHART 2

PERCENT EMPLOYMENT GROWTH IN SELECTED NATIONS: 1969-1984



Source: from OECD data

CHART 3

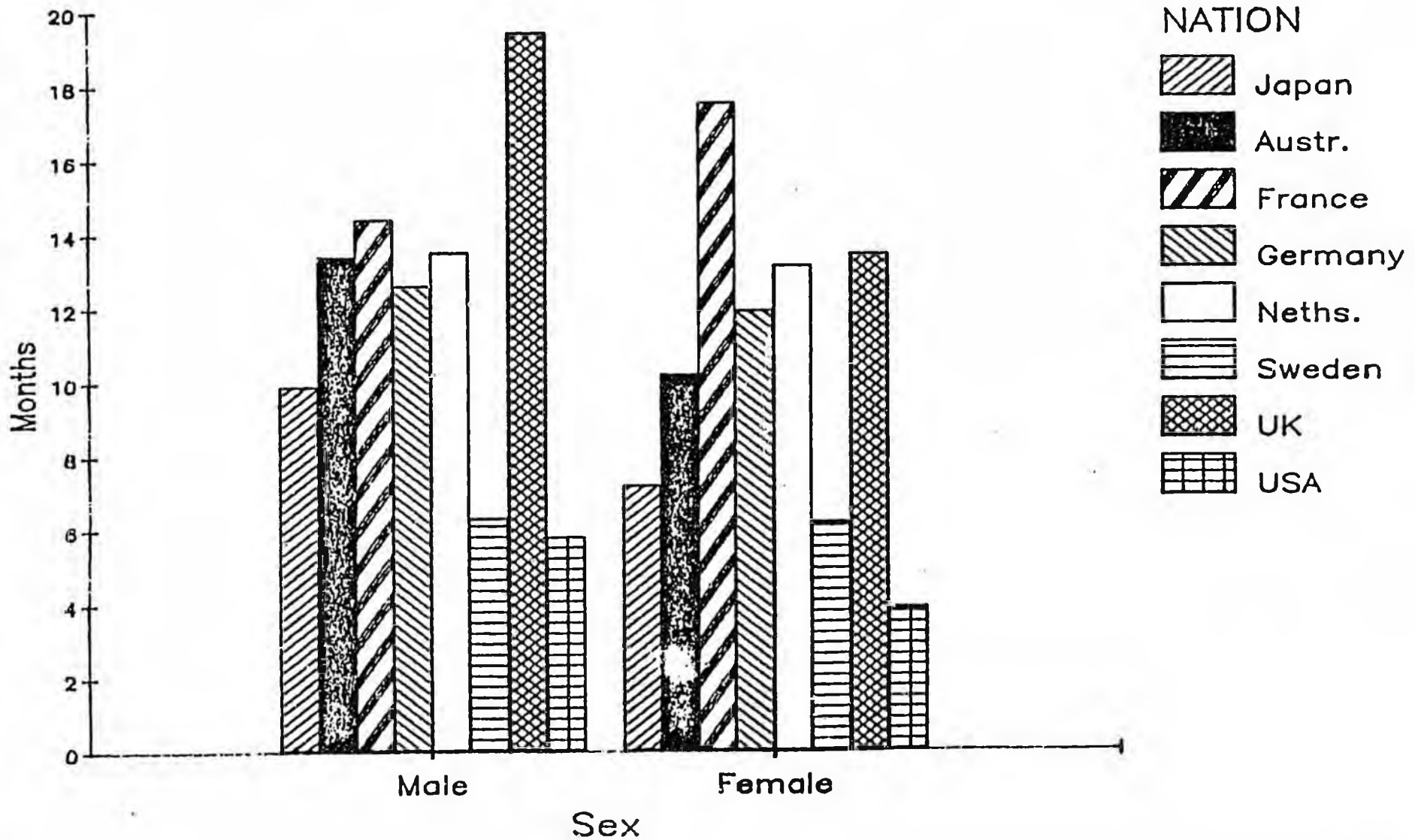
UNEMPLOYMENT RATE (1984) AND PERCENT GROWTH IN UNEMPLOYMENT RATE (1970 - 1984) BY SELECTED NATION



Source: OECD

CHART 4

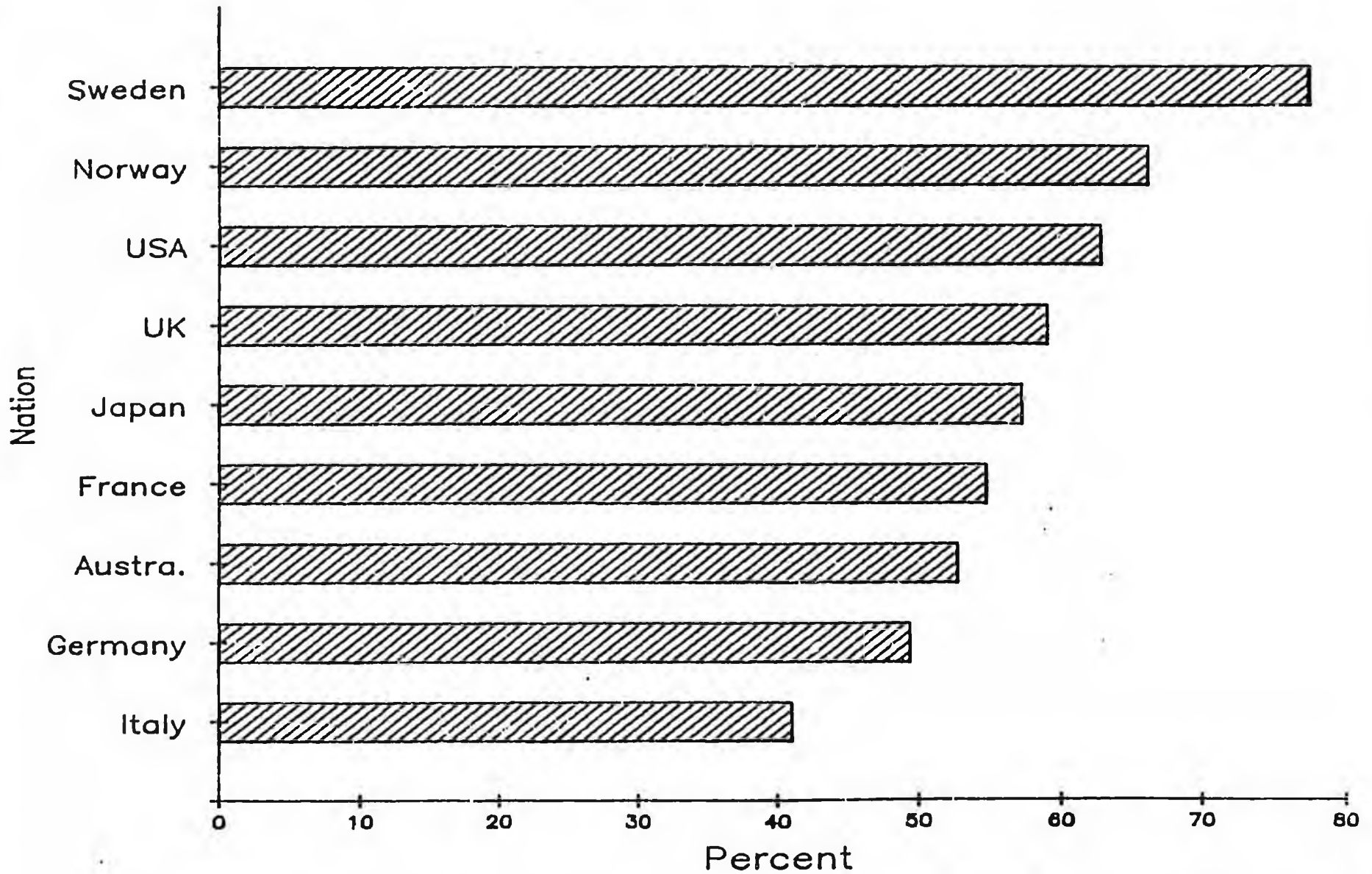
MEAN AVERAGE DURATION OF UNEMPLOYMENT IN PROGRESS BY SELECTED NATION - 1984



Source: OECD

CHART 5

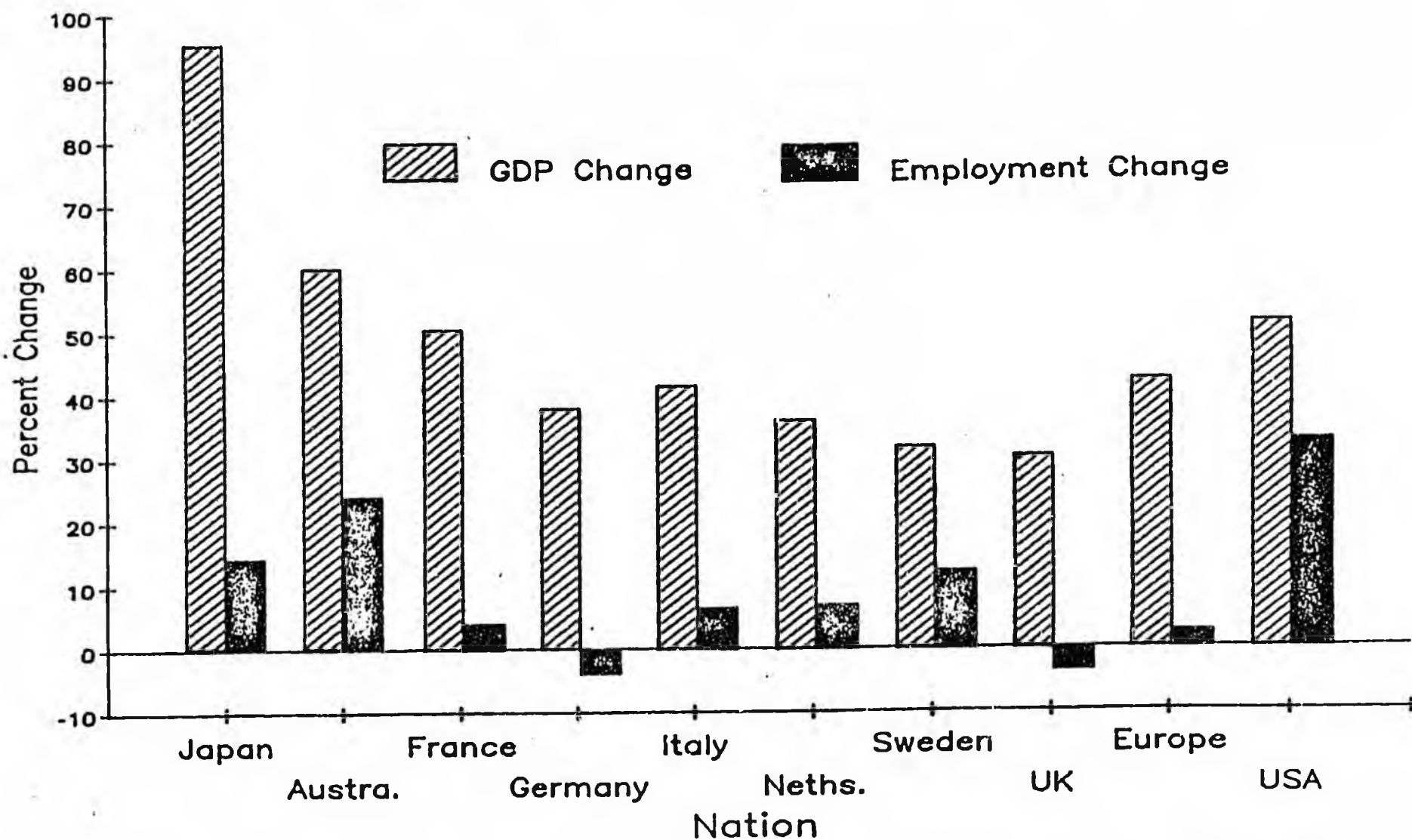
FEMALE LABOR PARTICIPATION RATES BY SELECTED NATION — 1984



Source: OECD

CHART 6

GROWTH IN GDP (1970 - 1985) AND EMPLOYMENT (1969 - 1984) BY SELECTED NATIONS



Source: from OECD data

Employment in Alaska, September 1986

Number of Employees	Employment		Number Employers	Estimate:	
				Number Employers	Women Employees Age 20 through 44
0-14	45,544	19.9%	13,453	84.1%	15,381
15-20	12,006	5.2%	638	4.4%	4,055
21-50	35,040	15.3%	1,101	6.9%	11,834
51+	136,507	59.6%	752	4.7%	46,101
					0
TOTAL	229,097	100.0%	16,004	100.0%	77,370
TOTAL 15+	183,553	80.1%	2,551	15.9%	61,989

33.77% of employees are women age 20 through 44 (1985 annual average)

Source: Department of Labor

Prepared by the House Research Agency 04-May-87 (860519-01;87-277)

Table 1. Pregnancy Leave Policies of Some Public and Private Sector Employers in Alaska

Employer	Applicable Policy	Number of Weeks Allowed	Compensation During Leave	Return Rights	Comments
PRIVATE SECTOR					
Cook Inlet Region, Inc.	medical leave	12	LWOP	Yes	medical LWOP is used for all situations where an employee is absent for medical reasons, does not commence until sick and annual leave are used, health insurance is paid during medical leave; may be extended up to an additional 12 weeks
electrical utilities (IBEW-represented workers)	disability leave	8	LWOP	Yes, with seniority	the eight weeks begins after any medical disability ends, policy applies to the mother and father of newborns and adoptions
grocery stores (retail clerks represented by the UFCW)	maternity leave	25	use sick, may be paid \$100/wk for first 6 weeks	Yes, with seniority	
National Bank of Alaska	medical leave of absence	6	use sick, then annual, then LWOP	not guaranteed but will try to place in old or similar position	

Table 1. Pregnancy Leave Policies of Some Public and Private Sector Employers in Alaska

Employer	Applicable Policy	Number of Weeks Allowed	Compensation During Leave	Return Rights	Comments
PRIVATE SECTOR					
SeaAlaska	medical leave	varies	use sick, then annual, then LWOP	yes	medical leave is used for any situation where it is medically prudent for the employee to be absent, the length of leave determined between the employee and the Vice-President of Administration; temporary disability applies to extended illness or pregnancy, and a doctor's certificate is required
	or temporary disability leave	varies	LWOP	yes	
Sohio	disability leave	12-25, but generally 6	may be paid	yes	
	or personal leave of absence	varies	no pay	no	

Data collected by telephone survey conducted during the week of January 19 - 23, 1987.

APFA = Alaska public Employees' Association

IBEW = International Brotherhood of Electrical Workers

LWOP = Leave Without Pay

NEA = National Education Association

UFCW = United Food and Commercial Workers

Prepared by the House Research Agency, January 1987 (87-079.wk1)

MATERNITY AND PARENTAL LEAVE POLICIES: A COMPARATIVE VIEW

COUNTRY	DURATION	JOB SECURITY	AMOUNT/DURATION	RECIPIENT
CANADA	17-41 WEEKS	YES	60%/15 WEEKS	MOTHER
ITALY	22-48 WEEKS	YES	80%/22 WEEKS	MOTHER
GERMANY	14-26 WEEKS	YES	100%/14-18 WEEKS	MOTHER
SWEDEN	12-52 WEEKS	YES	90%/38 WEEKS	MOTHER or FATHER
FINLAND	35 WEEKS	YES	100%/35 WEEKS	MOTHER or FATHER
AUSTRIA	16-52 WEEKS	YES	100%/20 WEEKS	MOTHER
CHILE	18 WEEKS	YES	100%/18 WEEKS	UNSPECIFIED
USA*	0	0	0	0

* No Federal Policy

Source: Women at Work, ILO Global Survey, 1984;
Kemperman, Maternity & Parental Benefits & Leave, 1980.

Table 1. Pregnancy Leave Policies of Some Public and Private Sector Employers in Alaska

Employer	Applicable Policy	Number of Weeks Allowed	Compensation During Leave	Return Rights	Comments
PUBLIC SECTOR					
Anchorage School District (NEA represented employees)	disability leave	6 if natural, 8 if Cesarean	use sick leave then LWOP	Yes	
Bristol Bay Borough	maternity leave	9	use sick, then annual then LWOP	Yes	supervisor approval required if more than 9 weeks are required
City and Borough of Juneau	none	---	---	---	no policy for pregnant workers, an employee may use their accumulated personal leave or other employees may donate their leave
Fairbanks North Star Borough (APEA represented employees)	maternity leave	13	use personal, then LWOP	Yes, with no loss of service time	may be extended an additional 90 days with a physicians statement; covered by medical benefits while on maternity leave
Juneau School District (NEA-represented employees)	maternity leave inc. in parental leave policy	not specified	use sick, then LWOP	Yes	the length of the leave period is determined by the employee and her doctor
Matanuska-Susitna Borough	maternity leave	8	use sick, then annual, then LWOP	Yes	this policy was just instituted with negotiation of current contract, prior policy was not formal, but generally 6 weeks were allowed
Municipality of Anchorage	medical LWOP or short-term disability	6 varies	no pay some possible	Yes	

Handwritten notes in the bottom right corner, including the name "M. J. ...".

Table 1. Pregnancy Leave Policies of Some Public and Private Sector Employers in Alaska

Employer	Applicable Policy	Number of Weeks Allowed	Compensation During Leave	Return Rights	Comments
PUBLIC SECTOR					
North Slope Borough	maternity leave	9	may use personal, then LWOP	Yes	may extend the leave period with doctor's certificate
State of Alaska (APEA-represented employees)	maternity leave	9	use sick, then annual, then LWOP	Yes	extensions may be granted with a doctor's certificate or by the supervisor
PRIVATE SECTOR					
ARCO	anticipated disability leave	25	may or may not be paid, can use sick leave for period actually disabled	yes, if return immediately after disability, otherwise, job not guaranteed	
construction companies (Teamsters)	disability leave	25	use sick, then annual may also be paid time loss benefits (\$100/week)	Yes, with seniority	

POSITION PAPER

For HB 224

House Bill 224 outlines the conditions and rights of employees and employers in regards to leave and medical insurance associated with the birth, adoption, or foster placement of a child and provides for continuing employment upon return from such leave unless the employer's business circumstances have changed to make it impossible or unreasonable.

The provisions concerning medical insurance and return employment rights are not inconsistent with current State practice. The proposed legislation would, however, make changes to existing State policy and practice concerning leave associated with childbirth and adoption. Current law [AS 39.20.225(b)(4)] entitles a female officer or employee to a maximum of nine weeks of leave for childbirth. Current collective bargaining agreements are consistent in providing nine weeks, and would not be affected by this proposed legislation as written. HB 224 would 1) increase the maximum leave entitlement associated with childbirth to 18 weeks; 2) provide a leave entitlement for adoption or foster placement; and 3) entitle male employees to take leave in association with the birth or placement of a child.

As the language is proposed, it appears that each parent would be eligible to take 18 weeks of leave, for a total of 36 weeks of family leave associated with the birth, adoption, or foster placement of a child. For an employer employing both parents, such a requirement may prove burdensome. We suggest consideration of the following additional language on page 2, following line 22:

Unless a longer period of leave is authorized under (a) of this section, a single employer need not provide its employees more than a total of 18 weeks of family leave associated with each instance of childbirth, adoption, or foster placement.

If this proposed legislation were to become law, Title 18 would be inconsistent with Title 39.

To provide for consistency in statute, we recommend that AS 39.20.225 be amended as follows:

Sec. 39.20.225. Use of personal leave. (a) An officer or employee may take personal leave at any time business permits upon permission by the head of the department or agency for which the officer or employee works.

(b) An officer or employee may take personal leave for medical reasons, regardless of whether business permits, upon permission by the head of the department or agency for which the officer or employee works. A department or agency head shall grant personal leave for medical reasons if the department or agency head is satisfied that the officer or employee is absent for medical reasons. The taking of personal leave for medical reasons shall be reduced by the amount of wage continuation payments made under the Alaska Workers' Compensation Act (AS 23.30). The following constitute "medical reasons" and are subject to the conditions noted:

(1) Medical disability of an officer or employee is a medical reasons for taking personal leave. A department or agency head may require a doctor's certificate showing the disability if the absence exceeds three consecutive working days.

(2) Medical disability of a member of an officer's or employee's immediate family is a medical reason for taking personal leave if the disability is such that the attendance of the officer or employee is required. A department or agency head may require a doctor's certificate showing the disability if the absence exceeds three consecutive working days.

(3) A medical condition of an officer or employee that makes presence at work a danger to the health of fellow employees is a medical reason for taking personal leave. A department or agency head may require a doctor's certificate showing the condition if the absence exceeds three consecutive working days.

(4) [PREGNANCY AND CHILDBIRTH IS A MEDICAL REASON FOR A FEMALE OFFICER OR EMPLOYEE TO TAKE PERSONAL LEAVE. A FEMALE OFFICER OR EMPLOYEE, OTHERWISE QUALIFIED FOR A LEAVE OF ABSENCE, IS ENTITLED TO TAKE A MAXIMUM OF NINE WEEKS LEAVE IMMEDIATELY PRECEDING AND FOLLOWING CHILDBIRTH. IF THE OFFICER'S OR EMPLOYEE'S ACCRUED PERSONAL LEAVE IS INSUFFICIENT FOR THIS PURPOSE, THE OFFICER OR EMPLOYEE IS ENTITLED TO TAKE LEAVE WITHOUT PAY FOR THE BALANCE OF THE NINE-WEEK PERIOD.]

(5) Death of a member of an officer's or employee's immediate family is a medical reasons for taking personal leave. No more than five days of personal leave may be taken for this purpose.

(c) Each officer and employee shall, during each 12-month period, take at least five days of personal leave. If the officer or employee does not take at least five days of personal leave during a 12-month period, the difference between five days and the amount of personal leave taken shall be canceled without pay unless the department or agency head certifies in writing that the officer or employee was denied the opportunity to take five days of personal leave during the 12-month period.


(d) An officer or employee, otherwise qualified for a leave of absence, is entitled to take a maximum of 18 weeks of leave immediately preceding and following the birth of a child or the placement of a child with the officer or employee for adoption or foster care. If the officer's or employee's accrued personal leave is insufficient for this purpose, the officer or employee is entitled to take leave without pay for the balance of the 18-week period. For each instance of childbirth, adoption, or foster placement of a child, officers or employees are entitled to a total of 18 weeks of leave under this section.

The Department of Administration is neutral on this legislation.



Diana DeSimone
Director
Division of Personnel

4/17/87
Date


Commissioner Garrey Peska
Department of Administration

4/17/87
Date



STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS

APR 20 1987

DEPARTMENT Health and Social Services	DIVISION Family and Youth Services	BILL NUMBER HR 224	SPONSOR Brown, et al	LEGISLATIVE FINANCE
DEPARTMENT POSITION Support in Concept				
PREPARED BY Yvonne M. Chase, Director	DATE 4/8/87	COMMISSIONER'S SIGNATURE <i>Marya M. Munnson</i>		DATE 4/15/87

SUMMARY

OTHER AGENCIES AFFECTED BY BILL State Retirement and Benefits	CONSTITUENT GROUP(S) AFFECTED BY BILL Employers
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

To provide support to infants and working parents by mandating that employers allow parents reasonable leave from work at the time a child is born or adopted or placed into foster care.

ANALYSIS OF BILL/PROGRAM EFFECTS

Maternity leave for working parents is a need for the majority of families in Alaska and the U.S. In 46% of households in Alaska containing two parents, both work outside the home. 11% of Alaska's families are headed by a single parent and 60% of single mothers with children under age six are in the labor force. Research indicates that adjustment or bonding to newborns is seriously impaired if parents are not allowed to spend adequate time with the newborn. Positive adjustment of the family to any new family member is more likely if parents are provided an opportunity to bond with the child immediately after the placement.

AMENDMENTS PROPOSED

Due to the wide range of foster care situations and the number of placements which realistically may be made into a single foster home within a year, it is recommended that leave for placements into foster homes be either restricted in length of time or that leave be restricted to foster placements that are intended to be permanent at the time the placement is made. Generally, the recruitment of foster homes for preschool age children is focused on families in which one parent does not work outside the home since the adjustment of young children who have been removed involuntary from the parental home requires more support and attention than could generally be provided in a home in which both parents work.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

TESTIMONY PRESENTED BEFORE HOUSE JUDICIARY COMMITTEE
REGARDING CS FOR HB 224

NATIONAL ORGANIZATION FOR WOMEN, STATE OF ALASKA

My name is Jan Erickson and I am legislative vice president for the National Organization for Women, State of Alaska. We are the largest women's organization in the Alaska with over 700 members in communities ranging from Barrow to Ketchikan. I would like to make a few comments today on the need for House Bill 224, an act relating to employment rights based on pregnancy, childbirth, and adoption.

We need this legislation. Without it, women will continue to be penalized for bearing children and both parents and children will suffer for lack important nurturing and bonding experiences that need to take place early in life. Protection provided by CSHB 224 is no less than has been provided for years in many countries in Europe and elsewhere. In some of those countries, leave is up to a full year, sometimes with pay, and always with guaranteed return to the job.

I know that among women's rights advocates there is some controversy over the effect of such laws. One group argues that we are setting up women for another special treatment situation which, in the past, has meant that equal rights could be more

easily denied women. The other body of thought holds that these employment rights must be guaranteed for women to prevent the common experience of dismissal or demotion when an extended leave is taken after the birth of a baby. Because this legislation offers protection for both parents it seems to me that the special treatment concern is not warranted. Male parents are treated the same as female parents. One of the principle beliefs of feminists is that men must become more involved in parenting. A protection of men's jobs through parental leave guarantees is the best opportunity for them to begin the parenting process.

For America to become truly a nation which values family life, we have to reduce the economic barriers that society has created which make it so hard for parents to raise children. We can do it; employment rights for pregnancy, childbirth and adoption plus reasonable leave policies, flexible work schedules, on-site day care, benefit options which help pay for day care expenses, and other such initiatives will help tremendously.

The provisions spelled out in the bill before us, in our opinion, are fair and do not place an undue burden on employers. The permitted 18 weeks of leave is reasonable; the option for leave to be unpaid certain makes it an easy proposition for employers; the requirement for continuation of health coverage during the leave period is important; and the escape valve for employers who have experienced a business reversal and can not re-instate that individual is probably a necessary feature. We would hope that this will not be abused by employers.

Provisions concerning guarantees of substantially similar positions with substantially similar benefits, pay, and other terms of employment (page 3, lines 10-11) as well as those conditions that should prevail when a transfer is made (page 3, lines 12 - 24) are vital. They should be maintained so that retention of employees following the leave period does not also occur with an erosion of employment gains.

As you may know, similar legislation is before Congress; the Washington, D.C. headquarters for the National Organization for Women is lobbying hard on behalf of parental leave legislation. Alaska can become a leader by enacting CSHB 224. A sensible parental leave policy for employers will not only help improve family life, but add tremendously to our State's quality of life. This is not an insignificant fact when we are looking to stabilize our economy and expand our base by attracting new businesses and industries.

Thank you for the opportunity to testify.



Alaska Public
Employees Association **APEA**

State Headquarters: 340 N. Franklin, Juneau, AK 99801 (907) 586-2334

TO: Representative John Sund, Chairman
House Judiciary Committee

FROM: Cherie Shelley *CS*
Executive Director

SUBJECT: HB 224 - Employment Rights

DATE: May 5, 1987

The Alaska Public Employees Association endorses House Bill 224 - "An Act relating to employment rights based on pregnancy, childbirth, and adoption", and urges the committee to consider this legislation favorably.

The changing characteristics of the American family require legislative action such as that proposed by HB 224. National trends indicate that many corporations and states have already adopted similarly enlightened policies.

Social welfare experts stress the importance of parental contact in early childhood development. This bill will allow parents to spend time with their newborn or adopted children without fear of losing their jobs or suffering adverse pressure at the workplace.

House Bill 224 is the most important piece of family-oriented legislation to be considered this session. The necessity for this legislation is obvious. We urge the committee to support this measure.

CS/baa

Fairbanks Field Office
825 College Road
Fairbanks, AK 99701
Telephone: (907) 456-5412

Anchorage Field Office
833 Gambell Street, Suite A
Anchorage, AK 99501
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Juneau Field Office
227 4th Street
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Telephone: (907) 586-6305



May 5, 1987

The Honorable Kay Brown
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Brown:

Thank you for sponsoring House Bill 224 regarding parental leave. The American Association of University Women supports the policy of parental leave and has been working for it in Congress. The national bill is called "The Parental and Medical Leave Act of 1986," HR 4300/S 2278. I have enclosed our policy statement for you.

We would like to suggest that there be a mention in HB 224 of the employee being able to return to the same work site or to the same city. This would close a loophole that might enable an employer to force the returning employee to move to another city in order to take an equivalent job.

We appreciate the opportunity to comment on the bill and would be happy to provide testimony during hearings.

Thank you for sponsoring this progressive bill. Keep up the good work.

Sincerely,

A handwritten signature in cursive script that reads "Ann L. Skoe".

Ann L. Skoe (sko-e)
Legislative Program Chair
8169 Thunder Street
Juneau, Alaska 99801

Enclosures

ALASKA STATE ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN

Position Statement

PARENTAL LEAVE/EMPLOYMENT RIGHTS RELATING TO PREGNANCY, CHILD BIRTH, AND ADOPTION

The Alaska State Association for the Education of Young Children (AKSAEYC) is the state affiliate of the National Association for the Education of Young Children (NAEYC). We advocate for and offer professional development opportunities to early childhood educators and provide public education and training in the area of early childhood development and education. Our goal is to improve the quality of services to children from birth to age 8 -- the critical years of development. In addition, we advocate in a supportive role for parents as the primary educators of young children.

AKSAEYC supports passage of HB 224 "An Act Relating to Employment Rights Based on Pregnancy, Child Birth, and Adoption." We see this bill as an important statement of policy for the State of Alaska in upholding parental rights and in validating the crucial role parents play in the early days of a child's development.

The first three to four months after birth is one of the most important periods of a child's life. The proposed period of parental leave provides time that is essential for quality care and bonding between a child and its parents. Research on infants and longitudinal early intervention studies indicate this bonding is necessary for the formation of healthy self-esteem and strong parental ties.

Not only is this time important for neonatal development, it is also crucial in setting the tone for child-parent relationships throughout the child's life and will help to prevent later problems for Alaska's youth, particularly in the areas of prevention of alcohol and drug abuse, youth suicide, school dropouts, runaway and delinquent behavior, and teenage pregnancy.

Parents must also have time to assist other children in the family adjust to having a new baby in the home, and to be able to spend time with the baby's siblings to foster healthy social and familial ties. This period of adjustment and bonding is equally important when a child is adopted into a new family.

In addition, this initial period of bonding is integral for the parent to strengthen nurturing skills, develop strong maternal and paternal attachments to the child, and to develop confidence and proficiency in parenting skills. Such confidence and skills are as necessary to the parent as to the child, and are important to ensure healthy parenting in the future. These are also shown to be important in the prevention of child abuse and neglect and similar problems which may result when the child-parent bond and parenting skills are not sufficiently developed.

Parental leave is also necessary to avoid problems with employee performance which is adversely affected by tardiness, low job attendance, stress-related illness, and the worry and guilt associated with placing a newborn in care outside the home.

While parents are adjusting to the changes in relationships that necessarily occur when there is a new member of the family, they should not also have to worry about whether they can keep their jobs, or how they can find medical insurance coverage.

Parents should not have to make a choice between keeping their job or having healthy, well-adjusted children and family relationships. We do not think this is a trade-off that is ethical for any employer to impose. As a primary employer in Alaska, state government should serve as a model in setting a standard for other employers to follow.

One of the important tasks of the Governor's Commission on Children and Youth will be to look at high-risk children and families, and to establish priorities and guidelines for providing a preventive environment to avoid potential future problems. This parental leave bill is one way to help provide such a preventive climate in our State.

ALASKA WOMEN'S LOBBY

POST OFFICE BOX 10-1571. ANCHORAGE, ALASKA 99510

April 22, 1987

Representative Niilo Koponen
Representative Johnny Ellis
Chairmen
House Committee on Health, Education and Social Services
P.O. Box V
Juneau, Alaska 99811

Mr. Chairman and Members of the Committee:

The Alaska Women's Lobby welcomes the introduction of House Bill 224, which would establish a statewide parental leave policy.

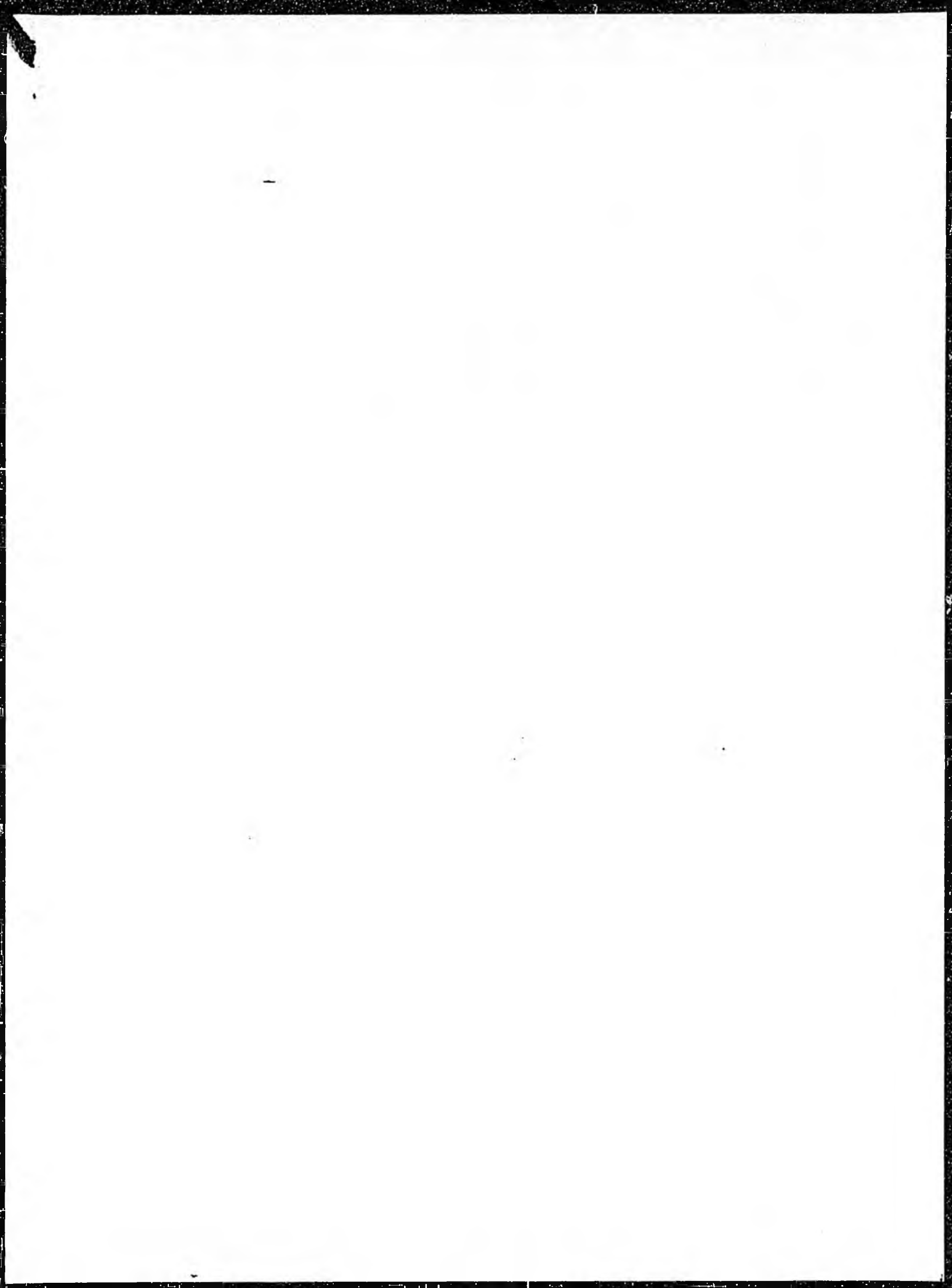
Statistics show that half of all mothers of children under three work outside the home, and that 85 per cent of all women in today's work-force are likely to become pregnant during their working years. The majority of mothers work because of economic necessity.

In January, the U.S. Supreme Court ruled that states may require employers to provide short, unpaid disability leave for new mothers.

We believe this legislation which would guarantee job security for all workers who want unpaid leave to care for newborn or newly adopted children is long overdue. It is time the workplace changed to accommodate the changing work force.

Nine (*) other states already give some job protection to new parents. Even these protections pale when compared to those in nations such as Sweden, West Germany and France, where workers get from 4.5 to 9.5 months of parental leave with pay of up to 90 per cent of their salary.

(*) Connecticut, Hawaii, Kansas, Montana, New Hampshire, Ohio, Washington, Massachusetts and California.



A recent survey of 400 major U.S. companies found that 65 per cent offered up to three months unpaid leave with the guarantee of a job upon return, and 46 per cent guaranteed a comparable job. Many Alaskan public and private sector employers already provide leave for childbirth.

Family leave is not a radical idea, but is an important step towards ensuring that families can function in today's environment. Society can no longer view the workplace and the family as two completely separate parts of an employee's life.

House Bill 224 will accommodate family life in the workplace, and will result in more productive workers and in healthier families. We urge its speedy passage.

Sincerely,

Sherrie Goll

Sherrie Goll
for the Alaska Women's Lobby



STATE OF ALASKA
OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION
3601 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

STATEMENT OF SUPPORT
FOR PARENTAL LEAVE

The demographic forces shaping the Alaskan workforce require new solutions for the care of our children. Since 1950, Alaska women have increased their labor force participation by more than 500 percent. This rate of increase has been faster for Alaska women than for women nationally. More than one-half of all women in Alaska participate in the labor force, narrowing the gap of participation between men and women to only 22 percent.

The pattern of labor force participation for Alaska women has changed radically over the decade. Fewer women drop out of the workforce during their childbearing years, yet they continue to raise families, thus creating an increasing need for a policy on parental leave.

The two income family is no longer an anomaly but a necessity of life. Yet the dilemma exists. How do you balance the competing needs of job security and parenting?

This is a national problem since, unlike most other industrialized nations, the United States does not have a policy on parental leave. Extensive parental benefits are provided in over 80 nations either by the employer or by national insurance plans. In France, women are entitled to 90% of their earnings for a sixteen week period and are guaranteed the same or a comparable job on their return. In Sweden, "parent insurance" allows either parent to leave work for up to nine months after the birth of a child, without loss of pay. In West Germany, women receive about seven months paid leave.

The absence of a national parental leave policy has left the determination of parental leave up to individual employers. Some employers have recognized the important relationship of family to work. However, very often employers do not routinely assure that employees who must be out of work for any period of time can get their jobs back, regardless of whether they were out of work because they were having a child.

Two bills which have been introduced this session represent a positive response to the social and economic reality that the majority of parents - fathers and mothers - work outside the

home. HB224, introduced by Representative Kay Brown, and SB124, introduced by Senator Joe Josephson, provide 18 weeks of unpaid leave for either parent after the birth or adoption of a child. Both bills ease the burden on small businesses by exempting firms with fewer than 15 employees.

These bills represent an important starting place for Alaska employers and families. The details may change as the bills are discussed. Is 18 weeks too long or too short? Is the exemption for small businesses too high or too low?

But discussion of these details should not be allowed to obscure the need for the law. Alaska can no longer view family life as entirely separate from work responsibilities. These bills, and the policy that they will create, will put Alaska in the forefront of states whose employment policies recognize the importance of family life.

Kris Chatfield
Kris Chatfield,
Chair

~~PARENTAL~~ LEAVE WOULD COST JOBS, REDUCE EMPLOYMENT OPPORTUNITIES

by Gary Jenkins

Advocates of the parental leave concept would have us believe that it is as innately American as apple pie and baseball. After all, everybody recognizes the benefits of post-natal bonding. And requiring businesses to give employees four ^{1/2} months of leave to care for newborns seems, at first glance, natural and desirable.

But take a second look. Parental leave is not without cost to employees as well as employers. If we're smart, we'll take a lesson from Europe. There, mandated parental leave has led to decreased economic growth, as well as a decline in full-time job opportunities for women.

Bills requiring employers to grant parental leave are now before the Alaska legislature and Congress. In Juneau, Representative Kay Brown (D-Anchorage) has introduced H.B. 224. This bill would require all businesses with 15 or more employees to grant up to four ^{1/2} months of leave to men and women for care of newborn (and adopted) infants and guarantee their job (or an equivalent) upon return. It is patterned after a bill introduced in Congress by Rep. Pat Schroeder (D-Colorado).

While everybody is in favor of strengthening the family unit, the passage of restrictive legislation that would weaken the economy of our state and the nation is not the answer. The National Federation of Independent Business, the nation's largest small-business organization, has taken the lead in opposing the parental leave bills because they would hit small-business owners particularly hard.

Why care about the impact on small business? Because 70 to 80 percent of all new jobs created in the nation today come from the small-business sector, not the Fortune 500, which actually lost three million jobs between 1980-83. At a time when the President and Congress have widely acknowledged that our nation is on the brink of losing its competitiveness, placing such burdens as mandated parental leave on our most productive economic resource is highly unwise.

MORE

There is no such thing as a free lunch, and there is no such thing as a free benefit. Again, just look at European countries, which have burdened employers with a wide range of mandated benefits, of which maternal leave is one of the most expensive.

The major European countries -- France, Germany, England, Holland -- all require paid, or partially paid, leave for mothers for 12 to 26 weeks. Between 1969-1984, according to Europe's Organization of Economic Cooperation and Development (OECD), employment in these countries grew less than 10 percent (Germany and England actually lost jobs). By comparison, employment in the United States grew by 36 percent.

While mandated benefits reduce job growth overall, mandated maternal leave especially reduced full-time employment opportunities for women. A comparison (see chart 1) of the major European countries plus Sweden and Japan (which also mandate maternal leave) shows that between 1973 and 1983, growth of full-time employment of women has been flat. However, in the United States, which has no such requirement, the number of women workers has grown by more than 36 percent in the same period.

During this period, these European countries have experienced major growth in part-time employment for women. Employers -- reluctant to incur the costs of providing maternal leave -- chose to hire women as part-time workers (who are exempt from the benefit).

Part-time employment, of course, eliminates the possibility of any serious career advancement. Therefore, relegating women to part-time employment would mean a return to the days when females were economically dependent upon males and worked primarily for "pin money."

Rep. Schroeder ^(U.S. Congress) has stated that parental leave should be seen as a "minimum labor standard" rather than a fringe benefit -- not unlike child labor laws or wage and hour laws.

This attitude reveals a shocking naivete by Rep. Schroeder about the relationship between benefits and jobs in the United States. Should mandated employee benefits such as parental leave and medical leave become "family rights," they will pre-empt the economic discretion of the individual employer.

At the 1986 White House Conference on Small Business attended by 2,000 business owners from across the country, delegates named mandated benefits as the top issue facing them nationwide. Small businesses --

MORE

because of their small work force and fluctuating work loads -- need to be able to negotiate individually with employees over hours, wages and benefits.

Health insurance is the most common type of fringe benefit provided to employees in small businesses. Yet over one-third of small-business employers do not provide coverage, largely because of workforce composition or cost. Clearly, mandating benefits, such as parental leave or health insurance, is likely to result in the elimination of jobs altogether.

Mandated parental leave would be a particularly onerous requirement for small business because small companies cannot operate efficiently while tolerating vacancies among very limited numbers of employees.

Large companies, with hundreds or thousands of employees, are often able to transfer workers or shift work loads to cover absent employees. In fact, because of this ability, many large companies already offer maternal leave to their employees.

Smaller companies cannot afford the cost of training new workers to fill temporary vacancies or the expense of making room for employees who return after an absence of several months.

These expenses are high, in many cases prohibitive, for small-business employers. For example, studies have found that the cost of replacing a skilled clerical worker in Washington D.C. for 18 weeks was \$5,188.

It is hidden, added costs like these that have caused problems in Europe. As noted earlier, the European countries in which employees receive increasing numbers of non-wage benefits have not created any additional new jobs since 1975. America's small, entrepreneurial businesses were responsible for the creation of one million new jobs during the recession years 1980-83, while large businesses had a net decline.

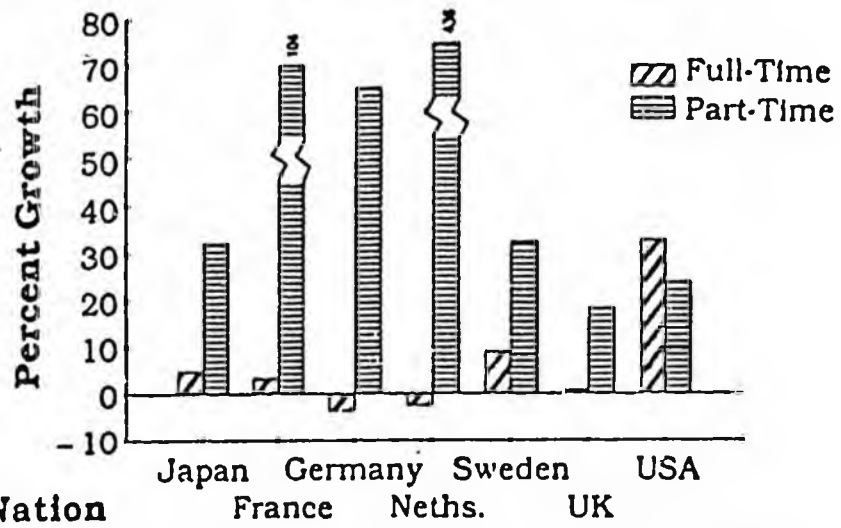
If we "Europeanize" employee benefits in the United States with requirements like parental leave, we may also Europeanize job growth.

###

Gary Jenkins is state director of the National Federation of Independent Business/Alaska, the state's largest small-business organization with 3,300 members. Nationally, the NFIB has 500,000 members and offices in all 50 states.

(xxNF8705xx)

Chart
Growth Rates of Female Full-Time
and Part-Time Employment
By Selected Nation: 1973-1983



Source: *International Labour Review*, Sept./Oct. 1985

CONCERNED ALLIANCE OF RESPONSIBLE EMPLOYERS

TESTIMONY OF
CYNTHIA GRANTZ
PRESIDENT AND CHAIRMAN OF THE BOARD
ROCKFORD COATINGS CORPORATION
ROCKFORD, ILLINOIS

ON BEHALF OF
THE CONCERNED ALLIANCE OF RESPONSIBLE EMPLOYERS
BEFORE THE HOUSE SUBCOMMITTEE
ON LABOR-MANAGEMENT RELATIONS

FEBRUARY 25, 1987

CONCERNED ALLIANCE OF RESPONSIBLE EMPLOYERS

Mr. Chairman and members of the subcommittee, I am Cynthia Grantz, president and chairman of the board of Rockford Coatings Corporation, a manufacturing firm in Rockford, Illinois, which employs 89 people. I am testifying today on behalf of the Concerned Alliance of Responsible Employers, CARE; the National Association of Manufacturers; and the National Federation of Independent Businessess. CARE is a coalition of 140 organizations, which is actively seeking to preserve the voluntary system of benefit structuring which allows employees and employers to determine which benefits are best suited for their individual and mutual needs. Overall, CARE's members directly represent a wide range of businesses and professionals, including manufacturing and service sectors, wholesaler-distributors, retailers, the food and restaurant industry, personnel administrators and hundreds of thousands of small to mid-size firms across the country.

The National Association of Manufacturers (NAM) is an organization of 13,500 corporations -- 80 percent of which are small business -- located in every state and involved in the spectrum of manufacturing enterprises. NAM members employ 85 percent of the nation's industrial workers and produce more than 80 percent of the nation's manufactured goods. NAM is affiliated

with an additional 158,000 businesses through its Associations Council and the National Industrial Council.

The National Federation of Independent Businesses (NFIB) is the nation's largest small-business organization, representing more than 500,000 small and independent enterprises. NFIB's legislative positions are set through membership polling; eight out of ten NFIB members oppose mandated parental leaves.

On behalf of all the members of CARE, NAM and NFIB, I would like to thank you for this opportunity to express our opinion on federally mandated family leave policies.

I. Introduction

CARE's member organizations strongly support company programs to assist workers in meeting their dual work-family responsibilities, and encourage employers to seek innovative solutions to problems working parents encounter. CARE recognizes that the retention of experienced, trained workers is important to compete effectively in a global marketplace and encourages employers to explore all avenues of change and accommodation to that end. CARE believes the private sector is best equipped and provides the most flexible and efficient response to the changing demands and requirements of its workforce, and encourages Congress to protect the voluntary, private enterprise system which allows maximum latitude for both employees and employers.

As more workers with family responsibilities enter the workforce, companies have implemented programs designed to assist workers in meeting their dual work-family responsibilities. Among such programs are (1) alternative work schedules including flextime, voluntarily reduced workweeks, job-sharing and part-time employment; (2) child and dependent care programs such as on-site or near-site day care, day care subsidies and child care vouchers; (3) employee assistance programs; (4) flexible benefit plans, cafeteria-style benefit plans which allow workers to choose those benefits most suited to their particular needs; (5) family leave policies; and (6) information and referral programs.

The types and feasibility of such programs differ for each employer, based on a variety of factors such as the type of industry, size and skill of the workforce, individual workforce needs, competing standards in the industry and the ability to assume costs.

For example, small employers typically institute vacation and sick leave benefits first. Then, as their profitability increases, health insurance is the next most widely offered -- and desired -- benefit. Yet, the number one problem for small employers, according to an NFIB survey, is the cost of health insurance. Legislating new benefits and requiring benefit coverage at employer cost during extended leave periods will only exacerbate this problem. In August, the White House Conference on Small Business selected mandated benefits as the number two priority issue, second only to liability insurance. Small

businesses expand benefit coverage as their profitability increases; nowhere is this fact recognized in this legislation.

CARE opposes legislation that would mandate across-the-board requirements that ignore the very real differences among businesses, their workforces and changing economic and business climates. The family and medical leave bills, H.R. 925 and H.R. 284, would seriously undermine many business operations, particularly smaller concerns that may find it impossible to hold open a position for the leave periods mandated in these bills. The legislation would result in additional costs and hamper productivity. As a consequence, businesses may be forced to scale back or drop other needed and desired benefits. Without a doubt, this legislation will severely limit this country's greatest job generators -- small business.

The major share, 70 to 80 percent, of all new job creation in this nation today comes from the small-business sector. At a time when the President and Congress have widely acknowledged that our nation is teetering on the brink of losing its competitiveness, to place additional requirements such as mandated family leave upon business is unimaginable and most certainly unwise. European economies burdened with mandated benefits are generating fewer jobs, have higher levels and longer periods of unemployment and typically boost their productivity by adding more capital rather than labor.

Family leave policies are excellent benefits but an extended leave policy is only one benefit option among many that can be instituted to help workers with their family responsibilities. Benefits and policies to help working families are important to employers because they are becoming increasingly important to their workforces. They are valuable recruitment and retention tools, and as the workplace evolves, more and more employers will formally implement work-family policies.

II. Effects of Legislation.

Companies today are faced, as never before, with the challenge of improving productivity and controlling costs. The costs that would be incurred with this legislation are not consistent with the emphasis Congress is placing on competitiveness and economic growth.

Because the leave periods stipulated in these bills are unpaid, a casual analysis would lead one to believe these bills are cost-free. Nothing could be further from the truth. One of the obvious costs of the proposal is in advertising for, obtaining and training replacement personnel for those employees on leave. Even large companies are segmented into small work groups where the absence of as few as one or two employees could critically affect the group's performance.

Replacing employees for a leave period is often inefficient because there is not enough time available for adequate training

and consequently the work performance is substandard. If an employee cannot be found or it is impracticable to hire a replacement, the additional workload must be assumed by coworkers and overtime costs are incurred. In the case of highly specialized positions, temporary replacements may be impossible to find.

In addition, there are other costs such as unemployment insurance taxation. As employers are forced to dismiss temporary employees when the regular employee returns to work, unemployment taxation costs will increase. In fact, in all but 14 states, an employee working the temporary family leave period would be eligible for unemployment insurance based solely on an 18 week period.

In this debate, attention has been drawn to a comparison of family policies among industrialized nations, and much has been made of the lack of policy in the United States. The whole picture must be examined prior to making hasty judgements. Consider that pay and benefits for American workers are among the highest in the world and the U.S. continues to be a marvel of job creation, particularly in the small business sector. European countries, on the other hand, have had no net job creation since 1975, and unemployment continues in the double digit range.

Across-the-board mandates are based on erroneous assumptions. In fact, (1) all businesses are not alike (2) economic and business climates are not stable (3) all employee needs are not the same

(4) and the costs of mandated family leaves will limit the availability of other benefits.

Congress is attempting to micro-manage the nation's businesses, while refusing to accept the burdens of inflexibility itself. Employers need the flexibility to tailor benefit and wages to market demands and individual workforces. In any event, the most important employee benefit is a paycheck. For example, a Massachusetts bank recently tried to attract employees with a generous benefit package. The effort failed. Trying another tactic, the bank then costed out the benefits and increased the wages offered. They were inundated with applicants!

III. Rockford Coatings Corporation.

I am president and chairman of the board of Rockford Coatings Corporation, a family business founded by my late husband's grandfather in 1906. The company manufactures industrial paints and coatings for manufacturers of primarily metal products, such as lawn and garden equipment, metal shelving, furniture and fixtures and aluminum extrusions. We are a job shop in that each formula is developed to customer specifications and all our paint is manufactured per customer order. The company operates plants in Rockford, Illinois and St. Louis, Missouri.

Paint has become highly technical in recent years, not only because of the demand for improved quality and performance, but also because of EPA regulations for solvent emissions in the

workplace and the on-going culling out of suspected health hazards in chemical products. The paint we make goes directly on our customer's line and is an integral part of his manufacturing process. Because of this, there is great demand for continual technical service. Rockford Coatings' particular strength is in its ability to both respond quickly to customer line emergencies and meet the short lead-times required by just-in-time deliveries.

Everyone knows well the lament of American manufacturers today. It is tough. Price increases are frequently impossible and price reductions are often demanded. We have had to swallow whole much of the massive insurance increases which, as you might image, are substantial in a chemically related business. And, in addition, we are in a Superfund site where we are participating in what I understand is the first voluntary clean-up in the country. Last fiscal year alone this cost us five percent of gross sales, and I would add that this figure represents not only our own purported share, but also a portion of the shares for those companies no longer in business or solvent.

We employ 89 people company-wide which is a net increase of five in the last two years. The company provides group life and medical insurance for which it contributes 80 percent of the premium; both short- and long-term disability coverage; and a new 401(K) plan at the request of our employees. As a result, we terminated a defined benefit plan. This plan is not only fully funded, but we elected to distribute the company portion to our

employees. We have given salary and wage increases every year since 1958. We have had one strike in our 80-year history but not one lay-off.

The company encourages long-term employment and makes every effort to accomodate the special needs of its employees when problems occur. The flexibility needed to make these accomodations would be limited if government were to begin mandating benefits such as leave.

I first learned of the family and medical leave legislation about one month before the White House Conference on Small Business to which I was a delegate. It took many of us by surprise, at least in the Midwest, but I think it is significant that "no mandated benefits" emerged as the second most important issue to that Small Business Conference in its final recommendations to the Congress.

I am opposed to the legislation, not because of its intent or the issues it addresses, but because it would give to government rather than to employers the right to construct the appropriate benefit packages. If it were to pass, it would have severe consequences for Rockford Coatings because it would require leaves of such a nature and length that it would threaten the stability of our business. If the legislation were in effect today, paternity leave alone would cost our company four months' service of 10 percent of our technical force, including our Rockford lab manager. Paint chemists and service technicians are

not available in the temporary market. We would have to choose between overburdening other employees or violating an unreasonable law by denying the leave or hiring replacements. Surely, lawsuits would be inevitable, productivity would suffer and the costs would be grave.

I would like to add one final word about Rockford which is the second largest city in Illinois and the city most dependent on a manufacturing base.

Rockford has had a net loss of 8500 jobs since 1979. According to the Rockford Chamber of Commerce, we have 700 manufacturing firms in the Rockford area, 600 of which -- like us -- employ fewer than 100 people. According to the State of Illinois, manufacturing jobs account for 38 percent of Rockford's labor force, but when manufacturing support jobs are added, that figure increases to 51 percent. Small manufacturing is essential to our community and must be maintained.

In conclusion, I would only add that a good business has responsibility to its customers, employers, suppliers and stockholders. The private sector must be free to meet these responsibilities and keep them in balance. I would urge the Congress to permit us to do so.

CONCERNED ALLIANCE OF RESPONSIBLE EMPLOYERS

"IF IT AIN'T BROKE, DON'T FIX IT..."

WE URGE CONGRESS TO PROTECT THE VOLUNTARY BENEFIT SYSTEM CURRENTLY ENJOYED BY EMPLOYERS AND EMPLOYEES. Currently there are only three government-required entitlements -- Social Security, worker's compensation, unemployment insurance. It did not take an act of Congress for employers to provide a vast array of employee benefits:

- health insurance, including dependent coverage
- dental and vision care
- long and short-term disability coverage
- life insurance
- vacation and sick leave
- maternity leave
- pension and retirement coverage
- holidays
- bereavement leave
- education assistance
- legal assistance
- adoption assistance
- profit sharing
- employee assistance programs
- employee discounts

DICTATING ANY ONE PARTICULAR BENEFIT LIMITS THE ABILITY OF EMPLOYERS TO OFFER BENEFITS THAT MAY BE MORE APPROPRIATE FOR THEIR WORKFORCE. Financial assistance for child care is just one example of a benefit that may be more desired by working parents.

ACROSS-THE-BOARD MANDATES ARE BASED ON ERRONEOUS ASSUMPTIONS. In fact:

- All businesses are not alike.
- Economic and business climates are not stable.
- All employee needs are not the same.
- The costs of mandated parental leaves will limit the availability of other benefits.

CONGRESS IS ATTEMPTING TO MICRO-MANAGE THE NATION'S BUSINESSES, WHILE REFUSING TO ACCEPT THE BURDEN ITSELF.

THE MOST IMPORTANT EMPLOYEE BENEFIT IS A PAYCHECK. Indiscriminate across-the-board mandates threatens the viability of firms and the jobs they provide.

Offered: 4/29/87
Referred: Judiciary and
Finance

5-0887B

Original sponsors: Brown, Ulmer,
Pearce, et al.

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 224 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to employment rights based on preg-
7 nancy, childbirth, and adoption."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

10 (1) the number of single-parent households and two-parent house-
11 holds in which the single parent or both parents work outside the home is
12 increasing significantly;

13 (2) it is important to the development of a child and to the
14 family unit that parents be able to participate in early childrearing; and

15 (3) the lack of employment opportunities to accommodate working
16 parents can force individuals to choose between job security and parenting.

17 (b) The legislature declares that the purposes of this Act are

18 (1) to balance the demands of the workplace with the needs of
19 families, and to promote stability and economic security in families;

20 (2) to entitle employees to take reasonable leave for the birth
21 or adoption of a child; and

22 (3) to accommodate the legitimate interests of employers.

23 * Sec. 2. AS 18.80 is amended by adding a new section to read:

24 Sec. 18.80.225. PREGNANCY, CHILDBIRTH, AND RELATED CONDITIONS.

25 (a) An employer shall grant an employee whose health is affected by
26 pregnancy, childbirth, or a related medical condition the same employ-
27 ment benefits and privileges that the employer grants to other employ-
28 ees with similar ability to work who are not so affected, including
29 allowing the employee to take disability or sick leave or other

1 accrued leave that the employer makes available to temporarily dis-
2 abled employees. However, except as provided in (d) of this section,
3 an employer is not required to provide an employee health insurance
4 coverage for the medical costs of pregnancy, childbirth, or a related
5 medical condition. The inclusion in health insurance coverage of
6 provisions or coverage relating to medical costs of pregnancy, child-
7 birth, or a related medical condition does not require the inclusion
8 of other provisions or coverage. Coverage of a related medical condi-
9 tion is not required by virtue of coverage of medical costs of preg-
10 nancy, childbirth, or another related medical condition.

11 (b) An employer shall permit an employee who has been employed
12 by the employer for at least three consecutive months to take family
13 leave for a total of 18 workweeks because of the birth of a child of
14 the employee or the placement of a child with the employee for adop-
15 tion. The leave may be unpaid leave. However, the employee may
16 choose to substitute, or the employer may require the employee to
17 substitute, accrued paid vacation leave, sick leave, personal leave,
18 or other paid leave during this period. The leave shall be taken
19 immediately preceding and immediately following the birth or placement
20 of the child. If the employee is entitled to a longer period of time
21 under (a) of this section, then the longer period applies.

22 (c) An employee who plans to take leave under (a) or (b) of this
23 section shall give the employer reasonable notice of the date the
24 leave will commence and the estimated duration of the leave.

25 (d) During the time that an employee is on leave under this
26 section, the employer shall maintain coverage under any group health
27 plan at the level and under the conditions that coverage would have
28 been provided if the employee had continued in employment continuously
29 from the date the leave commenced to the date the employee returns

1 from leave under (e) of this section. However, the employer may
2 require that the employee pay all of the costs for maintaining cover-
3 age during a period of unpaid leave.

4 (e) Unless the employer's business circumstances have changed to
5 make it impossible or unreasonable, when an employee returns from
6 leave under (a) or (b) of this section, the employer shall restore the
7 employee

8 (1) to the position of employment held by the employee when
9 the leave began; or

10 (2) to a substantially similar position with substantially
11 similar benefits, pay, and other terms and conditions of employment.

12 (f) An employer may not refuse to temporarily transfer a preg-
13 nant employee to an existing, unfilled position that is less strenuous
14 or less hazardous if the employee requests the transfer, the transfer
15 is recommended by a licensed health care provider, the employee is
16 qualified to perform the job, and the transfer will not subject the
17 employer to legal liability. An employer shall compensate an employee
18 who requests a transfer under this subsection at least the lesser of

19 (1) the rate at which the employee was compensated immedi-
20 ately before requesting the transfer, as adjusted by changes to com-
21 pensation that apply generally to the work force; or

22 (2) the rate of compensation set for the position into
23 which the employee transfers, as adjusted by changes to compensation
24 that apply generally to the work force.

25 (g) This section does not affect any other provision of law
26 relating to sex discrimination or pregnancy.

27 (h) This section applies to an employer only if the employer
28 employs at least 15 employees for each working day during each of at
29 least 20 calendar workweeks in either the current calendar year or the

1 preceding calendar year. However, this section does not apply to a
2 facility of an employer at which fewer than 15 employees are employed
3 if the combined number of employees employed by the employer within
4 200 miles of the facility is fewer than 15.

Original sponsors: Brown, Ulmer,
Pearce, et al.

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11 (b) An employer shall permit an employee who has been employed
12 by the employer for at least three consecutive months immediately
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15 placement of a child with the employee for adoption. The leave may be
16 unpaid leave. However, the employee may choose to substitute, or the
17 employer may require the employee to substitute, accrued paid vacation
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26 (g) This section does not affect any other provision of law
27 relating to sex discrimination or pregnancy.

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1 least 20 calendar workweeks in either the current calendar year or the
2 preceding calendar year. However, this section does not apply to a
3 facility of an employer at which fewer than 15 employees are employed
4 if the combined number of employees employed by the employer within 50
5 road miles of the facility is fewer than 15.

6 * Sec. 3. AS 39.20.225 is amended by adding a new subsection to read:

7 (d) An officer or employee who is otherwise qualified to take
8 leave of absence may take a maximum of 18 weeks of leave immediately
9 preceding and following the birth of a child or the placement of a
10 child with the officer or employee for adoption. An officer or em-
11 ployee taking leave under this subsection shall use accrued personal
12 leave. After exhausting accrued personal leave, the officer or em-
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14 period.

15 * Sec. 4. AS 39.20.225(b)(4) is repealed.

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1 IN THE HOUSE

BY BROWN, ULMER, PEARCE,
ELLIS, COLLINS, GRUENBERG
AND GOLL

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HOUSE BILL NO. 224

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18 (1) to balance the demands of the workplace with the needs of
19 families, and to promote stability and economic security in families;

20 (2) to entitle employees to take reasonable leave for the birth
21 or adoption of a child; and

22 (3) to accommodate the legitimate interests of employers.

23 * Sec. 2. AS 18.80 is amended by adding a new section to read:

24 Sec. 18.80.225. PREGNANCY, CHILDBIRTH, AND RELATED CONDITIONS.

25 (a) An employer shall grant an employee whose health is affected by
26 pregnancy, childbirth, or a related medical condition the same employ-
27 ment benefits and privileges that the employer grants to other employ-
28 ees with similar ability to work who are not so affected, including
29 allowing the employee to take disability or sick leave or other

1 accrued leave that the employer makes available to temporarily dis-
2 abled employees. However, except as provided in (d) of this section,
3 an employer is not required to provide an employee health insurance
4 coverage for the medical costs of pregnancy, childbirth, or a related
5 medical condition. The inclusion in health insurance coverage of
6 provisions or coverage relating to medical costs of pregnancy, child-
7 birth, or a related medical condition does not require the inclusion
8 of other provisions or coverage. Coverage of a related medical condi-
9 tion is not required by virtue of coverage of medical costs of preg-
10 nancy, childbirth, or another related medical condition.

11 (b) An employer shall permit an employee who has been employed
12 by the employer for at least three consecutive months to take family
13 leave for a total of 18 workweeks because of the birth of a child of
14 the employee or the placement of a child with the employee for adop-
15 tion or foster care. The leave may be unpaid leave. However, the em-
16 ployee may choose to substitute, or the employer may require the em-
17 ployee to substitute, accrued paid vacation leave, sick leave,
18 personal leave, or other paid leave during this period. The leave
19 shall be taken immediately preceding and immediately following the
20 birth or placement of the child. If the employee is entitled to a
21 longer period of time under (a) of this section, then the longer
22 period applies.

23 (c) An employee who plans to take leave under (a) or (b) of this
24 section shall give the employer reasonable notice of the date the
25 leave will commence and the estimated duration of the leave.

26 (d) During the time that an employee is on leave under this
27 section, the employer shall maintain coverage under any group health
28 plan at the level and under the conditions that coverage would have
29 been provided if the employee had continued in employment continuously

1 from the date the leave commenced to the date the employee returns
2 from leave under (e) of this section. However, the employer may
3 require that the employee pay all of the costs for maintaining cover-
4 age during a period of unpaid leave.

5 (e) Unless the employer's business circumstances have changed to
6 make it impossible or unreasonable, when an employee returns from
7 leave under (a) or (b) of this section, the employer shall restore the
8 employee

9 (1) to the position of employment held by the employee when
10 the leave began; or

11 (2) to a substantially similar position with substantially
12 similar benefits, pay, and other terms and conditions of employment.

13 (f) An employer may not refuse to temporarily transfer a preg-
14 nant employee to an existing, unfilled position that is less strenuous
15 or less hazardous if the employee requests the transfer, the transfer
16 is recommended by a licensed health care provider, the employee is
17 qualified to perform the job, and the transfer will not subject the
18 employer to legal liability. An employer shall compensate an employee
19 who requests a transfer under this subsection at least the lesser of

20 (1) the rate at which the employee was compensated immedi-
21 ately before requesting the transfer, as adjusted by changes to com-
22 pensation that apply generally to the work force; or

23 (2) the rate of compensation set for the position into
24 which the employee transfers, as adjusted by changes to compensation
25 that apply generally to the work force.

26 (g) This section does not affect any other provision of law
27 relating to sex discrimination or pregnancy.

28 (h) This section applies to an employer only if the employer
29 employs at least 15 employees for each working day during each of at

1 least 20 calendar workweeks in either the current calendar year or the
2 preceding calendar year. However, this section does not apply to a
3 facility of an employer at which fewer than 15 employees are employed
4 if the combined number of employees employed by the employer within
5 200 miles of the facility is fewer than 15.

1 IN THE HOUSE

BY BROWN, ULMER, PEARCE,
ELLIS, COLLINS, GRUENBERG
AND GOLL

2

HOUSE BILL NO. 224

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to employment rights based on preg-
nancy, childbirth, and adoption."

7

8

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9

* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

10

(1) the number of single-parent households and two-parent house-
holds in which the single parent or both parents work outside the home is
increasing significantly;

13

(2) it is important to the development of a child and to the
family unit that parents be able to participate in early childrearing; and

15

(3) the lack of employment opportunities to accommodate working
parents can force individuals to choose between job security and parenting.

17

(b) The legislature declares that the purposes of this Act are

18

(1) to balance the demands of the workplace with the needs of
families, and to promote stability and economic security in families;

20

(2) to entitle employees to take reasonable leave for the birth
or adoption of a child; and

22

(3) to accommodate the legitimate interests of employers.

23

* Sec. 2. AS 18.80 is amended by adding a new section to read:

24

Sec. 18.80.225. PREGNANCY, CHILDBIRTH, AND RELATED CONDITIONS.

25

(a) An employer shall grant an employee whose health is affected by
pregnancy, childbirth, or a related medical condition the same employ-
ment benefits and privileges that the employer grants to other employ-
ees with similar ability to work who are not so affected, including
allowing the employee to take disability or sick leave or other

29

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2 abled employees. However, except as provided in (d) of this section,
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4 coverage for the medical costs of pregnancy, childbirth, or a related
5 medical condition. The inclusion in health insurance coverage of
6 provisions or coverage relating to medical costs of pregnancy, child-
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12 by the employer for at least three consecutive months to take family
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14 the employee or the placement of a child with the employee for adop-
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21 longer period of time under (a) of this section, then the longer
22 period applies.

23 (c) An employee who plans to take leave under (a) or (b) of this
24 section shall give the employer reasonable notice of the date the
25 leave will commence and the estimated duration of the leave.

26 (d) During the time that an employee is on leave under this
27 section, the employer shall maintain coverage under any group health
28 plan at the level and under the conditions that coverage would have
29 been provided if the employee had continued in employment continuously

1 from the date the leave commenced to the date the employee returns
2 from leave under (e) of this section. However, the employer may
3 require that the employee pay all of the costs for maintaining cover-
4 age during a period of unpaid leave.

5 (e) Unless the employer's business circumstances have changed to
6 make it impossible or unreasonable, when an employee returns from
7 leave under (a) or (b) of this section, the employer shall restore the
8 employee

9 (1) to the position of employment held by the employee when
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22 pensation that apply generally to the work force; or

23 (2) the rate of compensation set for the position into
24 which the employee transfers, as adjusted by changes to compensation
25 that apply generally to the work force.

26 (g) This section does not affect any other provision of law
27 relating to sex discrimination or pregnancy.

28 (h) This section applies to an employer only if the employer
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5 200 miles of the facility is fewer than 15.