

SENATE OF VIRGINIA



WILLIAM M. STANLEY

20TH SENATORIAL DISTRICT
ALL OF HENRY AND PATRICK COUNTIES; ALL OF THE
CITIES OF GALAX AND MARTINSVILLE; PART OF CARROLL,
FRANKLIN, HALIFAX, AND PITTSYLVANIA COUNTIES;
AND PART OF THE CITY OF DANVILLE
13508 BOOKER T. WASHINGTON HIGHWAY
MONETA, VIRGINIA 24121

COMMITTEE ASSIGNMENTS:
AGRICULTURE, CONSERVATION AND
NATURAL RESOURCES
COMMERCE AND LABOR
COURTS OF JUSTICE
LOCAL GOVERNMENT

October 29, 2019

The Honorable Glen H. Sturtevant, Jr.
Acting Chairman, Senate Committee on Commerce and Labor
Post Office Box 2535
Midlothian, Virginia 23113

The Honorable Jennifer B. Boysko
Member, Senate of Virginia
730 Elden Street
Herndon, Virginia 20170

Dear Senator Sturtevant and Senator Boysko:

By letter dated September 12, 2019, the Clerk of the Senate informed me that the subject matter of Senate Bill 1639 of the 2019 Session, patroned by Senator Boysko, was referred to the Senate Commerce and Labor Committee's Subcommittee on Paid Family and Medical Leave. The letter further requested me, as chair of the Subcommittee, to provide both of you with a report on this matter by November 1, 2019. Please accept this letter as the Subcommittee's report on this matter.

The Subcommittee met jointly on September 17, 2019, and October 21, 2019, with a special subcommittee of the House Committee on Commerce and Labor chaired by Delegate R. Lee Ware. At its two meetings, the subcommittees received presentations from a broad spectrum of perspectives on issues relating to whether the Commonwealth should enact a program of paid family and medical leave. A summary of the meetings, along with copies of meeting materials, may be reviewed at http://dls.virginia.gov/interim_studies_pfm.html.

The subcommittees focused its work on three bills introduced in the 2019 Session that sought to establish a paid family and medical leave program, as follows:

- The Amendment in the Nature of Substitute to Senate Bill 1639, which would require the Department of Labor and Industry (DOLI) to establish and administer a paid family and medical leave program. Under the program, eligible employees would be eligible to receive payment for up to 12 weeks of family and medical leave taken in any application

year. Funding for the program is provided through premiums assessed to employers and employees. The amount of a benefit is 70 percent of the employee's average weekly wage, not to exceed an initial cap of \$850 per week.

- House Bill 2120, patroned by Delegate Jennifer Carroll Foy, which is substantively identical to the Amendment in the Nature of Substitute to Senate Bill 1639 except that the paid family and medical leave program would be established and administered by the Virginia Employment Commission (VEC).
- House Bill 2261, patroned by Delegate Elizabeth Guzman, which would require private employers with 15 or more employees to provide to each employee with paid medical and family leave at a rate of 0.46 hours per 40 hours worked, up to 24 hours in any 12-month period. The bill allows a covered employee to be paid for leave taken, up to the amount of the employee's medical and family leave balance, for a purpose for which the employee would be entitled to unpaid leave under the federal Family and Medical Leave Act. The program would be administered by the DOLI.

At their first joint meeting, the subcommittees heard from Senator Boysko and advocates for paid family and medical leave that such programs would help ease the financial burden of taking time off work to deal with a medical crisis; provide care to a family member; provide care to a child recently born, adopted, or placed in the foster care of the individual; or prepare for the deployment of a family member on active duty in the Armed Forces.

The second meeting of the subcommittees featured presentations by groups opposed to the establishment of a mandatory paid family and medical leave program in the Commonwealth. Representatives of business organizations objected to such programs on the basis that many employers currently provide some type of paid time off and that a state-mandated program would limit flexibility and impose large costs on Virginia's businesses. Spokespersons of the VEC and the DOLI presented their analyses of the three bills at this meeting. With regard to House Bill 2120 and Senate Bill 1639, Valerie Braxton-Williams of the VEC advised that the projected contributions from employers and employees in its first year would total \$1.73 billion, and that administration of the program would require 250 full-time employees. Ms. Williams noted concerns with the legislation, including the lack of a "lock box" mechanism on the program's trust fund. With regard to House Bill 2261, Robert Feild of the DOLI noted that the program would require two new full-time employees.

The subcommittees praised the work of Senator Boysko and Delegate Guzman in bringing the issues sought to be addressed by their bills to the attention of the subcommittees. While the advocates of a paid family and medical leave program illustrated its benefits, the opponents identified burdens that such a program would impose.

A quorum of the five members of the Senate's Subcommittee did not attend the October 21, 2019, meeting. Accordingly, the two Senate members who were present - Senator Louise Lucas and myself - were not able to take action. While Senator Lucas liked aspects of the limited approach reflected in Delegate Guzman's House Bill 2261, she also indicated that she was interested in doing something more consequential as was reflected in Senator Boysko's Senate Bill 1639. On the other hand, I preferred House Bill 2261 over the tax-based and bureaucracy-creating Senate Bill 1639.

Both Senator Lucas and I perceive that the members of the subcommittee would like to continue exploring this topic with the goal of identifying a Virginia-specific approach that is

affordable, allows flexibility, and provides employees with needed benefits without impairing the competitiveness of Virginia's businesses.

Regards,

A handwritten signature in black ink, appearing to read "Will", with a large loop at the beginning and a dot at the end.

William M. Stanley, Jr.
Chair, Subcommittee on Paid Family and Medical Leave

cc: The Honorable Susan Clarke Schaar, Clerk of the Senate