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Economic Opportunity Institute

Status of Washington's Family and Medical Leave Insurance Program

Working people throughout the United States struggle to meet their responsibilities both to their families and to their jobs. Some collective bargaining agreements and individual companies provide generous paid leave benefits. But many middle and lower income workers have little if any paid leave, and workers in smaller companies have no job protection if they must take time off to care for a new baby or a serious illness.

The lack of paid leave undermines family economic security, threatens the health and well-being of children and seniors, raises health care costs for everybody, and reduces the productivity of businesses.

To address these issues, Washington took the first steps toward establishing a state Family and Medical Leave Insurance program (FMLI) in 2007. The program now in state law provides:

- up to five weeks of paid leave to care for a newborn or newly adopted child;
- a benefit of $250 per week for full-time workers, prorated for part-timers;
- job protection for workers in companies with at least 25 employees.

Implementation Stalled – For Now

The FMLI program was originally scheduled to begin benefit payments in October 2009. The Legislature approved General Funds for startup costs early in 2008. However, because of the deep recession and large state budget deficits, Governor Gregoire froze FMLI startup in the fall of 2008, and in 2009 the legislature delayed implementation until October 2012.

Looking Ahead

The Washington Family Leave Coalition continues to lay the groundwork to ensure passage of a full Family and Medical Leave Insurance program, that in addition to care for a new child will include:

- leave for a worker's own serious health condition;
- leave to care for a family member with a serious health condition;
- payroll premiums paid by workers to fund the program.

Federal Help on the Way?

Two possibilities for federal assistance are now under consideration by Congress:

- President Obama's budget proposal release February 1, 2010 includes $50 million for competitive federal grants to states to assist with startup costs for paid family leave programs. The Senate Appropriations Committee has included $10 million in its budget released July 29, 2010.
- The FIRST Act sponsored by Congresswoman Woolsey would appropriate $1.5 billion to pay full startup costs and the first 6 months of benefits for new state family leave programs, as well as provide outreach assistance to those states that have already implemented such programs (California and New Jersey).

Costs and Benefits for Washington's Program

Washington's Employment Security Department estimates startup costs to launch a full FMLI program in Washington state to be $30 million over three years.

Based on the experience in California and other states, estimated benefit costs in Washington for the first year of full FMLI operation (at the benefit level approved in 2007) total $69 million for 72,500 beneficiaries, including:

- 22,100 parents of newborn and newly adopted children
- 46,800 workers with a serious health condition
- 3,600 workers caring for a seriously ill family member

Other States

Five states have temporary disability insurance (TDI) programs covering all workers in their states (California, New Jersey, New York, Rhode island, and Hawaii). For the worker's health condition, leave is available for up to 52 weeks in California and from 26 to 30 weeks in the other states.

California added 6 weeks for bonding with a new child or caring for a sick family member to its TDI program in 2004 and New Jersey added a similar benefit in 2009. Each program varies in benefit levels, financing, and other details. Altogether, 21% of the U.S. workforce is covered by state TDI programs.

Oregon, New York, Maine, and New Hampshire are other states, like Washington, with active campaigns to launch or expand TDI/FMLI programs. Massachusetts, Illinois, Missouri, Arizona, and Pennsylvania have also had FMLI bills introduced.