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STATEMENT BY

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BEFORE

THE SUBCOMMITTEE ON FEDERAL WORKFORCE, POSTAL SERVICE AND THE DISTRICT OF COLUMBIA

HOUSE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

AND

THE JOINT ECONOMIC COMMITTEE

ON

INVESTING IN THE FUTURE OF THE FEDERAL WORKFORCE: PAID PARENTAL LEAVE IMPROVES RECRUITMENT AND RETENTION

MARCH 6, 2008

Mr. Chairman, Madam Chair, and Members of the Committees: My name is Mary Jean Burke, and I am the First Executive Vice President of the National Veterans' Affairs Council of the American Federation of Government Employees, AFL-CIO (AFGE). On behalf of the more than 600,000 federal and District of Columbia employees our union represents, I am delighted to be here to day to testify on the subject of paid parental leave for federal employees.

AFGE commends Chairwoman Maloney, as well as her co-sponsors, Representative Davis of Illinois, House Majority Leader Hoyer of Maryland, Representative Miller of California, and Representative Davis of Virginia for H.R. 3799, the bill to extend paid parental leave to all Executive Branch and Legislative Branch federal employees.

The Limits of FMLA

As welcome as the Family Medical Leave Act of 1993 (FMLA) has been to all workers who struggle to balance work and family responsibilities, the compromises made to ensure passage of that legislation were such that many workers cannot take advantage of its benefits. Although the FMLA protects the job of a worker who takes up to twelve weeks off to care for a child or family member, whether or not to pay the worker during such time off is left entirely up to the employer. The fact that no part of the leave under FMLA is guaranteed to be "paid leave" effectively prevents many workers from using FMLA leave at all. The fact is that most American workers who take advantage of the FMLA do so without any financial support from their employers.

Federal workers are among those who must choose between a paycheck and their family obligations. Federal law makes no provision for paid parental leave for federal employees in any situation. H.R. 3799 would change this to provide income support for up to 8 of the twelve weeks of parental leave currently available to federal employees who work either for an Executive Branch agency, or for the U.S. Congress. AFGE strongly supports this legislation.

<u>Practical and Developmental Benefits to Children and Parents</u>

Virtually all research on child development and family stability supports the notion that parent-infant bonding during the earliest weeks and months of life is crucial. Extensive research by developmental psychologists has confirmed that this early period is a time when an infant learns to trust his or her parents, and the strength of that trust forms the foundation for later intellectual, social, and physical development. Children who form strong emotional bonds or "attachment" with their parents are most likely to do well in school, have positive relations with others, and enjoy good health throughout their lifetimes. This, of course, translates into later success as a worker, spouse, parent, and citizen. Strong parent-child attachment should not be viewed as a benefit that accrues solely to the child or the parent. The benefits of strong "attachment" form the necessary basis for the kind of human development on which our society and economy depend.

In this context, it is important not to pretend that spending time with a newborn or a newly adopted child is a personal choice, or a luxury that only the relatively affluent should be able to afford. The only reason a new parent would go back to work immediately after the birth or adoption of a child – even with the protections of the FMLA – is because s/he could not do without his/her paycheck. And far too many workers in both the federal government and outside it must make this terrible choice. H.R. 3799 would allow federal employees never to have to make such a choice.

Anyone who has ever had the joy of becoming a parent knows how crucial the first few months are for future stability. Those are the months of numerous trips to the pediatrician for immunizations and developmental check-ups, when the doctor helps the new parent learn what "normal" for the child is, when personality emerges, when health problems not-known prenatally are discovered and treated. For birth mothers, the first few months are an opportunity to give their child the many documented health, emotional, and intellectual benefits of breast-feeding.

For adoptive parents, especially for those whose children are not infants at the time of adoption and for those who adopt internationally, the first few months often require extraordinary quantities of time and attention in order to produce strong, healthy attachments. Adoptive parents whose children had been deprived earlier of attention from one regular care-giver in some cases must hold and attend to their children around the clock so that they can begin to form attachments. It is often the case that children adopted from overseas have not received adequate health care or nutrition and as a result experience developmental delays for which adoptive parents must work hard to compensate.

International adoptions also entail substantial logistical and paperwork obligations during the first few months. The newly adopted child must go through the naturalization process in order to become a citizen, which requires appearances in court and visits to attorneys and the U.S. Citizenship and Immigration Service. Obtaining a Social Security number requires yet more days spent on paperwork. Parents who adopt overseas under another country's adoption laws often seek the extra protection of a formal adoption under U.S. law. In addition to caring for their newly adopted child, the parents must also undergo visits from social workers from the adoption agency who make sure that the child is adapting to his or her new home. Finally, if the newly adopted child is not an infant, the parents must arrange for school placement, testing, and in some cases, language instruction.

Both international and domestic adoptions are extremely expensive. When federal employees open their hearts and their homes to children in need of adoption, they need and deserve the full support of their employers. The period immediately following the adoption is no time to deprive them of their livelihoods. H.R. 3799 would make sure that they receive this much-needed support.

Some proponents of paid parental leave would make distinctions among adoptive parents, birth parents, mothers, and fathers. These distinctions are mostly irrelevant

when the question is whether the worker should be able to continue to receive his/her salary during leave taken solely to care for a new family member. The FMLA settled the question of whether anyone besides a woman who has just given birth deserves time off from work to care for a child. This legislation takes as a given that all parents deserve equal treatment, and AFGE strongly supports that approach.

Some have proposed creating employer-financed short-term disability insurance for federal employees as a means of providing access to paid maternity leave for birth mothers. As necessary and welcome as employer-financed short-term and long-term disability insurance for federal employees is, it is not a solution for new fathers or new adoptive parents and is therefore discriminatory as a solution to the problem of providing paid leave to new parents. There is no reason to exclude men generally, or mothers who adopt, from eligibility for paid leave during time spent caring for a new family member.

Private Sector Practice and the Rules for Federal Contractors

The data on paid parental leave in the private sector are not what they should be. If the Congress enacts this legislation, it would be setting a standard for private firms to follow. According to the Department of Labor, only eight percent of all U.S. workers receive paid family leave, although the data do not distinguish between parental leave and leave to care for ill family members. Ten percent of private sector workers employed by firms with more than one hundred employees provide paid family leave, and eleven percent of those whose average wages are above \$15 per hour do so. The U.S. government has throughout its history striven to be a "model" employer, especially with regard to the treatment of women and minorities, the groups who are least likely to be able to afford unpaid parental leave. Because the federal government is such a large employer, and because it competes in virtually every labor market in the country, passage of this legislation would undoubtedly encourage other employers to follow suit and bring about much-needed improvement in workers' access to paid parental leave generally.

While far too few private sector employees have access to paid parental leave, there is one category of workers who are at least eligible for coverage: the employees of federal contractors and grantees. Just as in the case of wages and salaries, the federal government finds it possible to reimburse federal contractors for far more than they are willing to provide their own workforce. The way that reimbursement for paid parental leave for federal contractors comes about is through the absence of a prohibition in the Federal Acquisition Regulation (FAR) on the allowability of paid parental leave or of short or long term insurance in cost-type contracts. In the absence of a prohibition, the FAR cites to "reasonableness," a standard that includes the allowance of full employee compensation during parental leave. Recipients of research grants through the National Institutes of Health are permitted to provide themselves and their employees up to 30 days of paid parental leave. Surely if such practice is "reasonable" for contractors and grantees, it is reasonable for federal employees as well.

OPM's Flawed Approach

When the Office of Personnel Management (OPM) considered the efficacy of providing paid parental leave as a recruitment and retention tool, it concluded that it was not necessary. OPM's 2001 study included a survey of human resources directors' opinions on the question. Their highly subjective responses – based upon nothing more than their own prejudices and experiences – are presented by OPM as adequate reason to deny federal employees this hugely important benefit. There was no survey of the employees who actually left federal service during the years when they were having or adopting children, just a survey of human resources officers' opinions.

OPM's most important and erroneous conclusion was that federal employees already have adequate options and opportunities to obtain paid parental leave through use of accumulated sick and annual leave, and leave transfer and bank programs. These "findings" are both irresponsible and false. First, since the federal government does not provide its employees with any disability insurance, employees must accumulate sick leave so that if **they** should become ill and unable to go to work for a certain period, they are still able to support themselves and their families. Second, federal employees are only able to accumulate a maximum of 30 days of annual leave, not an adequate amount of time for purposes of providing care to a newborn or a newly adopted child. Early in their careers, when they are earning only 13 or 20 days per year, accumulating even 30 days is nearly impossible, yet the early years of one's career coincide with the years when employees are most likely to become parents. For adoptive parents, this leave is often used up in the many trips and appointments that precede adoption.

Although workers can receive advances on annual leave, this is no better a solution for a young family than running up huge credit card bills to finance the purchase of necessities. The worker should not have to borrow against future earned vacations in order to care for a new child, since undoubtedly the family will need leave in the future as well. OPM's blithe attitude betrays a vast ignorance of what it takes to raise a family successfully while holding down a job at a federal agency. OPM has also ignored the basic management case for the provision of vacation time: employees need annual paid time off to be restored, relaxed, and productive in their jobs the rest of the year. As managers they should know that all work and no play make a Jim or Jane a dull worker, and they should encourage the use of annual leave for its intended purpose.

Sick leave is for when a worker is sick. Annual leave is for when a worker needs mental and physical renewal. Parental leave is for when a worker becomes a parent. OPM's report implies that it does not comprehend the profound differences among these occasions in life. Becoming a parent is not an illness, and it is certainly not the occasion for a vacation. It is the time for getting to know one another, forming the attachments that are the foundation for lifetime family bonds and the child's lifetime chances for success. It is sad that the human resources people OPM surveyed do not comprehend these basic facts, but no one should base federal personnel policy on their unfortunately limited perspectives.

Costs and Benefits of H.R. 3899

There is no question that some will respond to the proposal to provide federal and Congressional employees with paid parental leave with cries about fiscal prudence and affordability. No one can accurately project the cost of extending this benefit to new parents, but we can speculate on the categories of cost of failing to do so. How much productivity is lost when a parent has had to come back to work too soon to have found proper day-care for a newborn or newly adopted child? How much productivity is lost when a federal employee must come to work when s/he is ill because s/he used up all his or her sick leave when s/he adopted her child eight months ago? How much productivity is lost when a parent must come to work when his child is sick, and turned away from day care, because he used up all his annual and sick leave when the child was born six months ago? How much does it cost the federal government when a good worker, trained at taxpayer expense, decides to leave federal service for another employer who does offer paid parental leave? How much does it cost the federal government when a federal worker who takes unpaid parental leave ultimately falls behind on her bills, faces financial ruin, later has so few resources that she must enroll her child in Head Start and applies for federally-subsidized meals at school?

These are not exaggerations. It is not at all unrealistic to imagine a federal worker starting out at a low-graded job with a modest salary going into a downward financial spiral after the birth or adoption of a child and subsequent taking of unpaid leave. Federal workers in their child-bearing or adopting years earn less, on average, than other federal employees. They are at a moment in their careers when they can least afford to take any time off without pay, and least likely to have accumulated significant savings. Yet their children are just as deserving of the chance to bond and form attachments as the children of higher-graded employees.

Conclusion

The time has come for the federal government to set the standard for U.S. employers on paid parental leave. It is clear that left to their own discretion, employers will not extend this crucial benefit to their employees unless it becomes a prevailing practice among their competitors. The benefits to children and families of eight weeks of paid parental leave are enormous and long-lasting. AFGE urges the Congress to do the right thing and pass H.R. 3899. This concludes my statement. I will be happy to answer any questions.

CURRICULUM VITAE

Mary Jean Burke

Mary Jean Burke currently serves as the First Executive Vice President of the AFGE National VA Council. She has served as the Council's National Safety Representative and has been a member of the Council's Legislative Committee for many years. Ms. Burke is the Secretary-Treasurer of AFGE Local 609 at the Indianapolis VAMC, where she works at a Physical Therapist.

In 1988, Ms. Burke graduated from St. Louis University with a BS in Physical Therapy. In 1999 she became a board-certified clinical specialist, by the American Physical Therapy Association in Geriatrics.

In 2002, Ms. Burke received the AFGE 6th District Outstanding Stewards Award. She has been actively involved in the Title 38 Hybrid collaboration process and conducts trainings on hybrid personnel rules throughout the country.

March 4, 2008

The Honorable Danny K. Davis
Chairman
Subcommittee on the Federal Workforce,
Postal Service, and the District of Columbia
2157 Rayburn House Office Building
Washington, DC 20515

The Honorable Carolyn B. Maloney Vice Chairman Joint Economic Committee G01 Dirksen Senate Office Building Washington, DC 20510

Dear Chairman Davis and Madam Chair Maloney:

The American Federation of Government Employees has not received any federal grants or contracts, during this year or in the last two years, from any agency or program relevant to the subject of the joint March 6, 2008 hearing of the Subcommittee on the Federal Workforce, Postal Service and the District of Columbia, and the Joint Economic Committee, concerning paid parental leave for federal employees.

Sincerely,

Beth Moten

Legislative and Political Director

Beth Moten