



## Insight

# Understanding the New Paid Family Leave Proposal

ISABEL SOTO | DECEMBER 9, 2019

- **The White House and Congress have reached a tentative agreement that would provide paid parental leave to all federal workers, a notable expansion of current policy under the Family and Medical Leave Act, which provides only unpaid leave.**
- **While the total costs associated with the paid family leave provision are unknown, a previous [American Action Forum](#) study estimates an upper-bound cost of \$14.07 billion.**
- **The goal behind expanding paid leave is to increase long-term labor force attachment, but recent research finds that expansive paid leave may decrease overall labor force attachment and have little to no effect on wage earnings or employment.**

The White House and Congress have [reportedly](#) come to a tentative agreement for establishing twelve weeks of paid parental leave to all federal workers. While Democrats and Republicans alike have introduced legislation to address paid family leave when applied to the broader economy, Congress has not reached consensus on specifics such as eligibility and funding mechanisms, let alone passed legislation, making this agreement surprising. One legislative reality appears to be smoothing the way to a deal: Before the end of the year, Congress must come to an agreement on spending levels and the debt ceiling. This impending deadline has allowed parental leave to become a bargaining chip in current negotiations — making it more likely that some sort of leave proposal for federal workers will pass Congress.

This tentative agreement has come about as part of negotiating the National Defense Authorization Act (NDAA), which establishes authorized funding levels for the Pentagon,

and sets the policies under which appropriations dollars may be spent. Reportedly, the NDAA would include a provision that provides all federal workers with paid leave after the birth, adoption, or initiation of foster care of a child (a Democratic priority) — in exchange for authorizing funding for a Space Force (a priority of the president). By attaching paid family leave to the must-pass NDAA, the legislative pathway for providing paid leave to federal workers appears to be considerably more straightforward than more expansive economy-wide paid leave proposals.

Few details about eligibility and logistics for this new proposal have been released, but supporters of the provision are hoping that the agreement will help lead the way in eventually providing paid leave to all workers. From a labor-policy perspective, the goal behind expanding paid leave generally is to increase long-term labor force attachment. A [recent study](#), however, disputes this premise and finds that expansive paid leave may decrease overall labor force attachment and have little to no effect on wage earnings or employment.

The passage of this provision would mark a major expansion of leave policies for federal workers. Currently civilian federal employees are given leave under the [Family and Medical Leave Act](#), which provides 12 weeks of job-protected but unpaid leave. Federal workers frequently use saved annual and sick leave to accommodate maternity and paternity leave needs. While this agreement would be historic and offer new parents more time to spend with children, the 2.1 million employees of the federal government [represent](#) just over 1 percent of the civilian labor force. Furthermore, the costs associated with this expansion of leave benefits remain unknown. [Previous work by the American Action Forum](#) estimated a similar 12-week program would cost \$6,700 per worker, bringing the upper bound cost estimate for the federal workforce to \$14.07 billion.<sup>[1]</sup>

Negotiators and the relevant committee chairs have not officially approved a final version of the NDAA, but it is [expected](#) to be introduced as early as December 9th with a likely vote on Wednesday, December 11th. Regardless of the ultimate outcome of this provision, this potential decision to include paid parental leave in the NDAA indicates increased bipartisan support for moving forward with such a benefit.

<sup>[1]</sup> This sum is an upper-bound cost estimate because not all federal workers will be eligible for leave and not all who are eligible will take it.