



## Construction Industry Round Table

## Legislative / Regulatory News

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### **1/16/2015 – President Seeks Another Costly “Populist” Mandate**

In advance of his “State of the Union” message, President Obama has floated another “populist” notion (like the free Community College proposal) whereby in the long-term as a goal private sector companies will be required to provide “family PAID leave.” According to the Department of Labor (DOL), currently only 12 percent of the private sector workers have access to paid family leave. [It should be noted, at the time the Family and Medical Leave Act (FMLA) was adopted in the early 1990s, one of the key selling points was that the extended leave granted (and mandated) by the new law – was UNPAID leave!!] The White House sees this as a “wedge” issue with the Republican Congress, whereby it can propose a mandate it claims will “strengthen the middle class by giving working families greater flexibility” – while passing the cost of that flexibility along to the taxpayers (immediately) and eventually extending it to cover private sector firms. The magnitude (and extent of the President’s generosity with taxpayers’ money) of what the Administration has in mind for all “workers” eventually can be found in what they are urging in legislation for the federal employees: six weeks of paid “administrative” leave, and more than \$2 billion in funds to encourage states to develop paid family and medical leave programs. In addition, the President intends to sign a Presidential Memorandum that will ensure federal employees have access to at least 6 weeks of paid sick leave when a new child arrives [again, a key element of the original FMLA].

While the immediate application of the proposal appears to be for “public” employees, it is clear from the announcement that the Administration sees this as only a first step in a larger fight to expand these mandatory paid benefits to the private sector as well. References to the private sector are included in the roll-out/talking points for the new leave proposal – with a more explicit blog comment from a senior White House advisory who’s headline reads: “Why We Think Paid Leave Is a Worker’s Right, Not a Privilege.” In the blog piece, the advisor argues: “The fundamental structure of our workplaces has simply not kept pace with the changing American family;” and that “voters get it . . . (and) . . . have been showing their overwhelming bipartisan support for policies allowing workers to earn paid sick days” (a glimpse at the real political reason for this initiative now). Moreover, U.S. Secretary of Labor, Thomas E. Perez, is quoted: “This isn’t just a question of work-family balance, . . . It goes to the heart of economic security for millions of middle-class working families.” [Notice, there is no qualifier as to “public” workers in these statements/comments].

CIRT will continue to monitor this evolving issue closely as it has the potential of impacting the workforce relationships within our member firms – as well as the availability/reliability of employees to meet client needs and deadlines.