

Fiscal Estimate Narratives

UWS 12/17/2019

LRB Number	19-0323/1	Introduction Number	SB-596	Estimate Type	Original
Description the establishment of a family and medical leave insurance program; family leave to care for a grandparent, grandchild, or sibling and for the active duty of a family member; the employers that are required to allow an employee to take family or medical leave; creating an individual income tax deduction for certain family or medical leave insurance benefits; allowing a local government to adopt ordinances requiring employers to provide leave benefits; providing an exemption from emergency rule procedures; providing an exemption from rule-making procedures; granting rule-making authority; making an appropriation; and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

This proposed bill expands the family and medical leave law to allow an employee covered under that law to take family leave to care for a grandparent, grandchild, or sibling and for the active duty of a family member, lowers the threshold number of employees above which an employer must allow an employee to take family or medical leave, and establishes a family and medical leave insurance program under which certain covered individuals may receive benefits while taking family or medical leave.

Long-Range Fiscal Implications

The expansion of FMLA coverage to include grandparents, grandchildren and siblings would mean increased liability for continuing health insurance coverage for those employees who take additional leave under FMLA that may not have previously been granted. With the potential for more employees to take extended leave, there could be increased costs related to hiring temporary employees or increasing wages for current employees to cover the duties of the employees on leave. We are unable to quantify this cost directly, as it is a currently unknown cost.

The cost of the family and medical leave insurance program is absorbed by the employee. There is no direct cost to the employer, but a reduction in wages to each employee.