



February 11, 2016



The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, NW Suite 402  
Washington, DC 20004-0000



Dear Chairman Mendelson:



The employers that we represent view leave policies as an increasingly important tool for strengthening the resiliency of their workforces and enhancing their attractiveness to potential employees. Throughout the Council’s public hearing process, we have expressed our grave concerns and reservations about the bill as proposed, but we have also recognized the potential for a new paid leave policy to provide benefits to the social fabric of our city.



We are writing today to express our concern that the Discussion Draft released for comment on Monday, February 11, 2016 fails to strike the balance that our organizations have urged the D.C. Council to strike.



It is possible to craft a paid leave policy that enhances DC’s attractiveness to potential employees without imposing costs that overwhelm those benefits and undermine competitiveness. Striking this balance will require an analytically rigorous, deliberate and inclusive process. The Mayor has called for a working group and we have previously called for a task force as complements to the DC Council’s hearings. The specific vehicle is less important than the intent to work together to improve the bill.



This new proposal must be put into the broader context of legislation passed and proposed that increases the costs of doing business in the District. Careful analysis is needed to recognize the cumulative implications that are drawing scrutiny, hesitation and real concern surrounding doing business in Washington D.C.



In the rush to create an enormous new social program for Universal Family and Medical Leave in the District, responsible attention to scope, costs and administration has not been given the priority it requires in order to succeed. This rush to develop a program dramatically different from California’s and New Jersey’s should first be fully understood so that families in need can be helped. With this new discussion draft, much work is needed to avoid the numerous unintended consequences and understand the full costs.



On the expense side, testimony from the CFO's office detailed the stunning 100% approval rate of over 2600 DC government employees who each took the full eight weeks of leave. This unanticipated usage level is an accurate data point to use in determining cost estimates of this Universal Leave discussion draft or for any future draft. Proponents' arguments for minimal usage estimates must be based in the reality of what has (and continues) to occur in the current DC Family and Medical Leave program.

Reasonable and highly reputable organizations have derived vastly disparate conclusions as to the program's expected revenues and expenses. There should be an effort to reconcile and synthesize these estimates so that there can be confidence that this program will fulfill commitments to all participants. The fiscal impact of the latest revisions to the program will need to be incorporated in these analyses. For example, in the original proposal, over 125,000 District residents would have been required to contribute to the program. Under this new draft, these 125,000 are *fully excluded* and reduces the revenues by a significant amount. We should make sure we understand the impact of this change on both revenues and expenses.

In this new proposal, the majority of beneficiaries of the District government funds will be *non-DC residents*. Virginians and Marylanders who pay no taxes to the District will now receive checks from the District for births, adoptions or illnesses. Taxes paid by DC businesses will underwrite benefits for *more non-DC residents*. This does nothing to advantage DC residents or DC based businesses (as proponents have claimed).

This discussion draft raises many, many more questions and unintended consequences. This new draft (made available just three days before the 3rd hearing, still with no fiscal analysis for the first draft or for this version) needs to be fully reconsidered. For the 5th largest tax imposed in the District, much more consideration is warranted. The regional implications are real and must be fully understood. *Maryland* is now advancing an employee-paid program. How could this be incorporated and could this conflict with the District's intent?

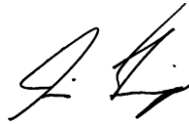
Demographic and actuarial experts must assess two key issues: The populations entitled to receive benefits and the situations that qualify, including childbirth and adoptions, aging parents or personal illness. These assessments will provide a much clearer picture of claims and costs.

Discussion also continues about the challenges and costs associated with administering this program. IT systems, management, review of applicants, fraud and abuse all need attention before this proposal advances. In noting all this, we reiterate a call for a collaborative working group to assemble and identify the specific goals to achieve, the citizens to assist, the balance of new requirements and regulations, the costs to expect and how to administer such a program. Only then will we produce a fiscally sustainable and socially responsible program to enable more opportunities to address the needs of family celebrating births and adoptions or dealing with the difficulties of illnesses and aging parents.

Sincerely,



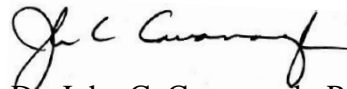
Lisa Mallory, CEO  
District of Columbia Building Industry  
Association



Jim Dinegar, President & CEO  
Greater Washington Board of Trade



Anthony Williams, Chief Executive Officer  
and Executive Director  
Federal City Council



Dr. John C. Cavanaugh, President & CEO  
Consortium of Universities of the Universities of the  
Universities Washington Metropolitan Area



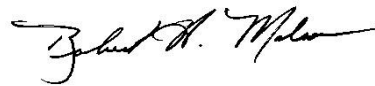
Margaret Singleton, Interim President & CEO  
DC Chamber of Commerce



Solomon Keene, President and CEO  
Hotel Association of Washington, DC Washington



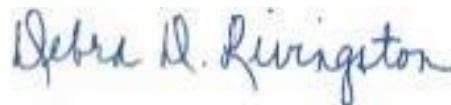
Kathy Hollinger, President & CEO  
Restaurant Association Metropolitan



Robert Malson, Chief Executive Officer  
District of Columbia Hospital Association



Margaret O. Jeffers, Executive Vice President  
Apartment and Office Building of Metro  
Washington



Debra Livingston, President & CEO  
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Metropolitan Washington