

November 18, 2016

The Honorable Phil Mendelson, Chairman
The Honorable Anita Bonds, At-Large
The Honorable David Grosso, At-Large
The Honorable Elissa Silverman, At-Large
The Honorable Robert C. White, Jr., At-Large
The Honorable Brianne Nadeau, Ward 1
The Honorable Jack Evans, Ward 2
The Honorable Mary Cheh, Ward 3
The Honorable Brandon T. Todd, Ward 4
The Honorable Kenyan McDuffie, Chair Pro Tempore, Ward 5
The Honorable Charles Allen, Ward 6
The Honorable Yvette Alexander, Ward 7
The Honorable LaRuby May, Ward 8
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, DC 20004

RE: Call for Transparency on Universal Paid Leave Act of 2015

We write to express our concerns with the approach the Council of the District of Columbia has taken to legislate the Universal Paid Leave Act of 2015. It is our view that the proposal being offered by the Council is untested, enormous, sweeping, and complex. It has many unintended financial and administrative consequences.

Because the concerns are so great, for more than a year, the undersigned and others have tried to work with the Council to help fashion a manageable paid leave program in the District of Columbia that allows employees to take time for themselves and loved ones when needed. We acted responsibly to understand the scope and the costs.

We have been particularly concerned with the noticeable lack of transparency of the proposal, the failure to take into account the concerns of all parties in balance, and the outright dismissal of the alternatives proposed by the business community and others.

In response, this year the undersigned have called for a working group. We asked to study programs in other jurisdictions and to study how the Council's program would work. And we even shared a bill with the Council for consideration to create a minimum 8 week program at 100% of pay for qualifying events. For every one of these carefully considered suggestions – for more than a year – we were told, “no.”

We would like to remind you of our viewpoint of the original bill proposed by the Council:

- Most of the proposed benefits would go to Maryland and Virginia residents who work in the District and are not your constituents. The DC Council's chief public policy priority should be its residents.
- It would require businesses to subsidize the benefits of other businesses, many of whom are their competitors. Most DC businesses already provide competitive paid leave packages

as an increasingly important tool for strengthening the resiliency of their workforces and enhancing the attractiveness of potential employees.

- It would be one of the country's most generous paid leave programs, yet it will be the ONLY one in the country that breaks from best practices of four other states that are now beginning to implement the program by making it *fully paid by employers*.
- Many have estimated that the cost of the bill is roughly \$400 million a year through a new tax on employers. This bill would become the city's 4th largest tax yet the bill does not prioritize DC residents.
- It fundamentally changes the employer and employee relationship by requiring employees to receive their paycheck from a new, unproven government arm, rather than from their own employer, at a time when they are most vulnerable caring for themselves or a loved one.
- A large percentage of the new tax would be directed to the development and maintenance of the administrative and information technology needs of this new program rather than to the employees who need a salary safety net quickly and the flexibility needed with their employers as they deal with a new birth, adoption, or illness.

While the business community has taken up every opportunity to work with the Council, through its own admission, the Council's "Discussion Draft" shared on February 8, 2016, states that the proposal "does not yet strike the best balance between cost and benefits. Nor does it address all of the concerns that have been raised so far."

Nine months since we have seen that Discussion Draft, we understand that the Council has recently made changes to the bill which have been shared with the Chief Financial Officer (CFO) to score. These changes have not been shared with the public, yet a vote is expected to be taken in less than three weeks.

We ask you not legislate in this way – through a process which has dismissed every alternative approach offered and failed to take into account the concerns of all parties in balance. We also ask that you **immediately** share the revised bill that has been sent to the CFO with the public. We find it perplexing that the Council supports a tax that pays more benefits to Maryland and Virginia residents over District residents.

We think the City deserves more and we urge the Council to act responsibly. We continue to look for more opportunities to work with the Council and the Administration on a fiscally responsible, balanced paid leave program for Washington, DC. The result of working together is always better than what we can imagine alone.

Sincerely,



Consortium of Universities of the
Washington Metropolitan Area



cc: The Honorable Mayor Muriel E. Bowser