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Analysis of House Bill 4470 (As Passed House)

Topic: Employment Adoption Leave
Sponsor: Representative Neumann
Co-Sponsors: Representative Switalski
Committee: House Regulatory Reform
Senate Commerce and Tourism

Date Introduced: February 26, 2009

Date Enrolled:

Date of Analysis: July 30, 2009

Position: The Department of Energy, Labor & Economic Growth supports the bill.

Problem/Background: Many employers provide leave with pay to an employee following the birth of the employee's child. Fewer employers provide a similar benefit to employees who take time off to adopt a child. According to a fact sheet published by the Institute for Women's Policy Research, only 7 of the 100 most "family-friendly" companies provide seven weeks or more of paid adoptive leave compared to 28% that provide nine or more weeks of paid maternity leave [*Maternity Leave in the United States, IWPR #A131*]. An August 30, 2007 article in the *Wall Street Journal* notes that the number of companies offering adoption benefits had increased to 20% from 16% in 2003. This statistic was based on a survey of 590 human resource managers by the Society for Human Resource Management, the article states. Some employers reimburse employees for adoption costs. The 2006 Bureau of Labor Statistics' National Compensation Survey shows that 10% of all workers are covered by some type of adoption assistance [*National Compensation Survey: Employee Benefits in Private Industry in the United States, March 2006, Bureau of Labor Statistics, August 2006, p. 28*]. In the 2007 survey this number increased to 11% [*National Compensation Survey: Employee Benefits in Private Industry in the United States, March 2007, Bureau of Labor Statistics, August 2006, p. 33*]. Of course, not all of these benefits are employer paid.

Description of Bill: The bill amends Public Act 390 of 1978 by requiring an employer that provides leave with pay following birth of the employee's child to provide the same leave with pay to an employee when a child under one year of age is adopted.

Summary of Arguments

DELEG is an equal opportunity employer/program.
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

Pro: It is unfair to provide leave with pay to one group of parents but withhold it from another. A parent is a parent, and a child needs the time with its parents, whether it's his or her birth parents or adoptive parents.

Con: The NFIB wrote a letter to the committee opposing the bill arguing that "paid benefits, such as maternity leave, are better left to be worked out between the employer and employee and not mandated by the state". It is counterproductive, the NFIB argues, to add another mandate to struggling employers.

Response: The bill is not a mandate. The employer does not have to provide paid leave to parents. However, if it does provide paid leave to an employee for the birth of the employee's child, it may not withhold it from an employee adopting a child.

Fiscal/Economic Impact

(a) Department

Budgetary: The bill amends an act regulated by the Wage and Hour Division and could increase enforcement activities.

Revenue: The bill would produce no revenue.

Comments:

(b) State

Budgetary: There are no state budgetary implications.

Revenue: The bill would have no impact on state revenues.

Comments:

(c) Local Government

Comments: The bill affects the leave policies of local governments.

Other State Departments: No other state departments are affected.

Any Other Pertinent Information: At the House committee meeting the American Civil Liberties Union, Planned Parenthood, and the Family Forum testified in support of the bill. The Michigan State Chamber of Commerce and the National Federation of Independent Business opposed the bill. The House analysis also listed Right to Life of Michigan as a supporter of the bill and the Michigan Manufacturers Association as an opponent.

Administrative Rules Impact: No new or revised rules will be required.