



In Association with



## *State Legislative Models for Building a Family-Friendly America*

The following pages are resources designed for legislators and legislative advocates concerned about building a more family-friendly society and workplace.

The following is a summary of an online set of resources where you can find links to an expanded list of legislative models and state initiatives, along with an extensive list of research and advocacy resources for the policies discussed in this manual. To reach the expanded online version of these state legislative models, go to:

**[progressivestates.org/momsrising](http://progressivestates.org/momsrising)**

# About the Progressive States Network

---

The Progressive States Network was founded in 2005 to drive public policy debates and change the political landscape in the United States, by focusing on attainable, progressive state actions. The Progressive States Network advances this agenda by providing coordinated research and strategic advocacy tools to forward-thinking state policymakers, legislative staff, and non-profit organizations. We function as a meeting space for progressive legislators, activists, and citizens, and serve as a hotbed of information exchange. We track legislation in all 50 states, helping to spark change across the country. We make it easier for people to learn more about how to get good ideas passed into law—and take power into their own hands.

## Progressive States Task Forces

---

Representatives from the following organizations have already agreed to serve on task forces relevant to specific issues and to act as a resource to legislators and local organizations.

Progressive States will work with these and additional future task force members to provide support to state campaigns seeking to enact these policies into law.

**ACORN Living Wage Resource Center**

**AFL-CIO**

**American Federation of State, County and Municipal Employees (AFSCME)**

**Americans for Health Care**

**Apollo Strategy Center**

**Center for American Progress**

**Center for Policy Alternatives**

**COWS**

**Families USA**

**Free Press**

**JR Commons Center**

**Labor Project for Working Families**

**Moms Rising**

**National Employment Law Project**

**National Partnership for Women and Working Families**

**Public Campaign**

**Service Employees International Union (SEIU)**

**Sierra Club**

**Skyline Public Works**

**Smart Growth America**

**Vote by Mail Project**

## Progressive States Board of Directors

---

**Joel Barkin**, Progressive States Executive Director

**Steve Doherty**, Founding Co-Chair, Former Montana State Senate Minority Leader.

**David Sirota**, Founding Co-Chair, Author of *Hostile Takeover*; Editor at *In These Times*

**Wes Boyd**, President MoveOn.org

**David Brock**, President and CEO Media Matters for America

**Asm. Adriano Espaillat**, New York Assembly

**Rep. Garnet Coleman**, Texas State Assembly

**Ellen Golombek**, SEIU Director of Government Affairs

**Lisa Seitz Gruwell**, Political Director for Skyline Public Works

**Joe Hoeffel**, former PA Congressman and state legislator

**Steve Kest**, Executive Director ACORN

**George Lakoff**, Senior Fellow Rockridge Institute

**Robert McChesney**, President of Free Press

**Rep. Hannah Pingree**, Maine House of Representatives

**John Podesta**, President Center for American Progress

**Lee Saunders**, Executive Assistant to the President of AFSCME

**Naomi Walker**, State Legislative Issues Coordinator for the AFL-CIO

**Rep. Neva Walker**, Minnesota State House

**Rep. David Zuckerman**, Vermont State House

---

## For More Information

For more information on policy options discussed in this program or help in your states, we will be adding additional details in coming months at [www.progressivestates.org](http://www.progressivestates.org) and feel free to contact:

Nathan Newman, Policy Director at Progressive States Network

(212) 680-3114 • [nnewman@progressivestates.org](mailto:nnewman@progressivestates.org)

In the following pages, you'll find a menu of model state legislation (most of which has passed in at least one state), background on the issues, and talking points for building a family-friendly America. All of these policies can be tailored for use in your own states.

Go online for links to specific legislation, as well as for additional legislative models, state initiatives, and associated resources for each issue. Check it out at [www.progressivestates.org/momsrising](http://www.progressivestates.org/momsrising).

## Why This Resource?

---

In our modern economy, where more often than not, two wage earners are needed to support a family, American women now make up 46 percent of the entire paid labor force. In fact, a study released in June of 2005 found that in order to maintain income levels, parents have to work more hours—two parent families are spending 16 percent more time at work, or 500 more hours a year than in 1979—just to keep up. Women, and mothers, are in the workplace to stay. Yet public policy and workplace structures have yet to catch up.

This package of legislative resources is designed to help policymakers and advocates build a more family-friendly society that helps parents caught in the squeeze between the demands of work and family.

---

## M = Maternity/ Paternity Leave (Paid Family Leave)

---

Key legislative models enacted or proposed in various states that can be used as models for legislation in other states (for more details, read below, or check the website):

- **Paid Leave:** The California Paid Family Leave Law gives employees up to six weeks of paid leave to stay home and there are even more expansive bills being proposed in Massachusetts, New Jersey, New York, and Washington State.
- **At-Home Infant Care:** For low-income mothers, Minnesota's AHIC Statute has been a model for helping them stay home with their children after birth.
- **Extending Unpaid Leave to Smaller Employers:** A number of states like Vermont, Maine, Oregon and Minnesota have extended unpaid family leave protection to workers in smaller employers.
- **Extending Amount of Unpaid Leave:** A number of states extend unpaid leave beyond federal law for private and/or government employees.
- **Intermittent Leave:** California and Wisconsin allow private sector employees to take unpaid leave as "intermittent leave" or partial absences.

**The Big Picture of Family Leave:** The 1993 federal Family and Medical Leave Act (FMLA) was a significant advance for working families, since it gave a large number of employees the right to take up to 12 weeks off to care for a new child or take care of a sick family member. Unfortunately, the law has some severe limitations:

- It applies only to workplaces of 50 or more employees;
- It has a number of restrictions on its use, and;
- Most importantly, it provides only for unpaid leave, meaning many families can not afford the lost income in taking advantage of the program.

In response, states have been taking action to expand the usefulness of family leave. These actions fall into two broad categories discussed in more detail below:

1. Providing Paid Family Leave
2. Strengthening Unpaid Leave Laws

### 1. Providing Paid Family Leave

---

**Paid Family Leave Background:** While unpaid leave has helped millions of families, there is little question that many employees have been unable to take time to care for a new child or an ill loved one because they could not afford the lost pay.

In 2002, California pioneered the first paid family leave law in the country. The law built on an existing State Temporary Disability Insurance (TDI) program, which already insured employees against lost wages due to disability, including pregnancy. The new law then also insured that parents could take six weeks of paid leave – at 55% of their regular pay—after adopting a child or caring for a sick family member. The insurance was designed to cost workers less than \$3 per month.

Many states have introduced paid leave bills that build on the California initiative with longer leave and more robust benefits. Proposals in New Jersey and New York, which both have temporary disability insurance programs, model their program on the California statute. For example, a New Jersey bill, A1518, sponsored by State Assemblywoman Sheila Oliver, would provide for 12 weeks of family leave at two-thirds of weekly pay (up to a maximum of \$475 per week). Other proposals in states without TDI programs would create a separate fee, usually a couple of cents per hour, to fund their paid leave programs.

A few states have created At-Home Infant Care (AHIC) policies to provide eligible, lower-income working parents with additional income to help them defray the cost of staying home with their newborns or newly adopted children. Currently, **Minnesota** and **New Mexico** have active AHIC programs. Montana enacted a statute creating an AHIC program, but the legislature has not yet provided funding.

*Talking Points on Paid Leave:*

- Multiple studies have shown the benefits to business from making the workplace more family-friendly. Family-friendly workplace legislation creates a level playing field, where all employers have the same obligations to provide a minimum standard of benefits and therefore aren't placed at a competitive disadvantage compared to their competitors.
- By reducing turnover, all businesses collectively benefit from a more productive workforce. As testimony by business owners around the country in support of family leave policies shows, more and more of the business community gets this point.

## 2. Strengthening Unpaid Leave Laws

---

**Unpaid Leave Background:** While paid family leave is seen as an ambitious program in some states, there are also important areas for states to strengthen unpaid leave rights for families. Eleven states have enacted their own family leave statutes to expand employee rights in the private sector, and many more states have extended additional family leave rights to public employees. These include:

- **Expanding the Workplaces Covered:** States have extended family leave coverage to smaller employers, including Maine (15 or more employees), Minnesota (21 or more employees), Oregon (25 or more employees) and Vermont (10 employees or more for medical leave and 15 employees or more for parental leave). Connecticut, New Jersey, Wisconsin and the District of Columbia provide leave to more part-time workers than under federal law.
- **Extending Time for Leave:** A number of states provide for more consecutive weeks of coverage than under federal law, including Connecticut and the District of Columbia, which each provide for 16 weeks of family leave time (as long as additional leave is not needed the following year). Many more states provide additional family leave time for government employees, as much as six months of unpaid leave in states like Washington and Wisconsin.
- **Permitting Intermittent Leave:** States such as California and Wisconsin give employees more flexibility to take parental leave in non-consecutive blocks of time over a year.

*Talking Points on Strengthening Unpaid Leave Laws*

- More than 37 million employees in smaller firms are excluded from the federal FMLA and millions more with part-time schedules are also excluded.
- Parents have no legal right under the federal FMLA to take intermittent or part-time leave to care for a new child.
- Expanding family leave rights to additional employees is both good for our states' families but also important for the long-term economic health of our states, since time with children in the first months is critical for long-term child development.

---

## O = Open Flexible Work

---

Key legislative models enacted or proposed in various states that can be used as models for legislation in other states (for more details, read below, or check the website):

- **Time off for Educational Activities:** Twelve states require employers to allow time for employees to participate in their childrens' educational activities.
- **Guaranteed Days Off:** Proposals in a number of cities and states would create a minimum number of sick days for full-time workers.
- **Restricting Mandatory Overtime:** Like a number of states, Illinois law limits overtime for nurses, a model that could be extended to other job categories.

**The Big Picture of Open Flexible Work:** While family leave helps families deal with large events like birth, adoption and major illness, many families also need more day-to-day flexibility from their workplaces to deal with the everyday needs of their families.

Policies to help achieve that open flexible work include these areas discussed in more detail below:

1. Allowing workers to take time off for childrens' educational activities
2. Guaranteeing days off for self and family needs
3. Restricting mandatory overtime so that employees can plan a reasonable home life

## 1. Time off for Childrens' Educational Activities

---

Twelve states require employers to allow time for employees to participate in their childrens' educational activities. The most generous program is in California, which gives parents 40 hours per year to participate in school activities.

### *Talking Points on Time Off for Educational Activities*

- Parental involvement in a child's school activities is one of the most important factors in determining school success. Yet many parents, particularly low-income parents, risk losing their jobs or suffering professionally if they take time off to attend a parent-teacher conference or other school functions.

## 2. Days Off for Self and Family Needs

---

The ultimate goal should be to establish a basic pro-family policy: allow employees a guaranteed number of Paid Sick Days off per year if they or their children get sick or need other kinds of care. This seems like such a basic right that 60% of Americans think it's already the law. But it's not.

Private employers have the right to fire an employee if they miss any day of work for any reason (unless they are protected by a union collective bargaining agreement). Many employers have established voluntary policies to provide days for their employees, but barely half (51%) of employers provide any paid sick days to their employees and only one in three (30%) allow employees to take off work because of a sick child. So 70% of parents face losing income or even losing their job every time they stay home with a sick child.

States are promoting a number of programs to address this problem:

- **Allowing Parents to Use Existing Sick Days to Care for Family Members:** The Maine Women's Lobby helped enact the Family Care Act in 2005 (LD 1044), which requires employers with twenty-five or more employees who do provide sick days to allow employees to use them for care of a sick child, spouse or parent. California, Connecticut, Hawaii, Minnesota, Washington, and Wisconsin have similar laws.
- **Guaranteeing Paid Sick Days Off:** Similar to the minimum wage, the ideal is a guaranteed number of days off each year that can be used to care for family members as well.

### *Talking Points on Paid Sick Days*

- 68% of working-class families have two weeks or less of vacation and sick leave combined. 70% of parents face losing income or even losing their job every time they stay home with a sick child.
- Paid sick leave gives workers an opportunity to regain their health, return to full productivity at work, and avoid spreading disease to their co-workers, all of which reduces employers' overall absence expense. Research documents that paid sick leave policies reduce the rate of contagious infections in the workplace by isolating sick workers at home

When parents are able to stay home to care for sick children, children get well faster. Giving parents more flexibility is crucial since most child care centers typically forbid attendance by sick children, while those that do risk spreading illness among other children if parents are not able to stay home to care for them.

### 3. Restricting Mandatory Overtime

---

One of the toughest burdens on parents can be demands for mandatory overtime, especially when little notice is given and parents have little chance to plan for alternative child care arrangements. Such overtime also increases stress and can lead to more mistakes and accidents.

While there are few general state laws restricting overtime hours—Maine limits overtime to no more than an additional eighty hours in any two-week period—a number of states have begun creating more serious restrictions on mandatory overtime for certain occupations, particularly in the nursing field. These laws can serve as a model for restricting overtime more generally in the population.

- **Restrict Mandatory Overtime:** **California, Maine, Minnesota, Oregon** and **West Virginia** have passed laws that restrict mandatory overtime by nurses, such as allowing nurses to refuse any shift longer than 12 hours in a 24-hour period.
- **Prohibit Mandatory Overtime:** In **Connecticut, Illinois, Maryland, New Jersey** and **Washington**, nurses are protected from mandatory overtime altogether except in emergency situations. No retaliation is allowed against any nurse who refuses overtime.

While these laws apply so far only to nurses, they are good models for giving workers in other occupations greater control over their schedules.

#### *Talking Points on Restricting Mandatory Overtime*

- Mandatory overtime disrupts parents' child care arrangements and often forces them to choose between their jobs and their children's well-being when no child care is available during an overtime shift. Overtime poses special problems for "tag-team" families where dad and mom work opposite shifts, so that each can take care of the kids when the other is at work.
- Even when child care is available, most centers charge steep fees (often one dollar per minute) if children are picked up late. And parents who pick up their children late may face losing their child care arrangements due to frustration by child care providers.
- Unwanted overtime can lead to parental stress that is bad for business productivity. Conversely, businesses that offer flexibility to employees see increased productivity and profits.
- In caregiving professions like nursing, mandatory overtime endangers patient health and safety. Many studies show that mandatory overtime leads to increased mistakes and higher accident rates.

---

## T = AfTer-School Programs

---

Key legislative models enacted or proposed in various states that can be used as models for legislation in other states (for more details, read below, or check the website):

- The Afterschool Alliance tracks afterschool programs in each state.
- The National Governors Association's Support Student Success details best practices in designing afterschool programs.
- California's Proposition 49 was approved in 2002 with the goal of providing afterschool programs for all children.
- In 2001, both houses of the Illinois General Assembly unanimously passed resolutions to create the Initiative, a task force to study the state's afterschool programs.

**The Big Picture of After-School Programs:** With the parents of 28 million school-age children working outside the home, only 6.5 million K-12 children (11%) participate in afterschool programs. But states are increasingly making it a priority to expand afterschool programs to enrich student academic achievement, prevent crime, and ease the burden on working parents. Additionally, the No Child Left Behind Act increasingly requires states to provide afterschool programs to help underperforming students.

#### *Talking Points on Afterschool Programs*

- More than 14 million school age children (25%) are on their own after school.
- The hours between 3p.m. and 6p.m. are the peak hours for juvenile crime and experimentation with drugs, alcohol, cigarettes and sex; quality youth programs can transform these hours of potential crime into time for academic enrichment.
- Teens who do not participate in afterschool programs are nearly three times more likely to skip classes than teens who do participate.

---

## **H = Health Care for All Kids**

---

Key legislative models enacted or proposed in various states that can be used as models for legislation in other states (for more details, read below, or check the website):

- **Covering Kids:** The new Illinois AllKids law provides an affordable health care plan for all children in the state on a sliding fee scale based on family income.
- **Employer "Fair Share" Requirements:** Laws in Maryland and New York City and proposed bills in Chicago and New York State are designed to reinforce the employer contribution to health care coverage in our system.
- **Universal Coverage Proposals:** San Francisco enacted the first law in the nation creating universal health coverage in a jurisdiction; the California legislature passed a Single-Payer bill (which was vetoed) to extend coverage to everyone in that state and leaders in Wisconsin have proposed an innovative Employer-Based Universal Coverage bill.

**The Big Picture of Health Care for All Kids:** Millions of Americans, including children, lost health insurance coverage in recent years. The percentage covered by employer-provided coverage dropped from 63.6% in 2000 down to 59.8% by 2004. That was 11 million less than if coverage rates had stayed the same. In response, states are promoting a variety of models to expand coverage to make sure children and their families have health care, including expanding Medicaid & SCHIP programs, enacting comprehensive plans to cover all kids, reinforcing employer-provided health care coverage, and promoting universal health plans for everyone.

**Extending Medicaid and SCHIP:** Since 1997 when the State Children's Health Insurance Program (SCHIP) was established by the US Congress, states have been expanding enrollment, covering roughly 4 million children today. States can either integrate SCHIP funds into their regular Medicaid program and/or run separate SCHIP programs solely for children. States have been building on these programs towards universal coverage in a number of ways, including:

Some states only cover children of families that are just above the poverty line, while others offer more robust coverage. In legislation enacted this year, Massachusetts joined New Jersey, Connecticut, Maryland, New Hampshire, and Vermont as states which have extended subsidized coverage to kids in all families up to at least 300% of the poverty level (\$60,000 for family of four).

**AllKids Coverage:** Taking it a step farther, Illinois enacted the AllKids program last year to extend health care coverage to children throughout Illinois. State officials this year finalized the table of premiums for families and launched the program on July 1 with the results being an impressive model for affordability. A family of four making up to \$2500 per month (\$30,000 per year) would pay no monthly premiums to cover two children, while families making \$2500-\$8333 per month (up to \$99,000/yr) would pay a sliding scale from \$25 to \$100 per month per child— with increasing premiums for families making more than that amount.

What is impressive about the Illinois program is that it converts health care from a quasi-poverty program to a general health plan for all kids, much as Medicare is a general plan for the elderly. Which means that working families will no longer face the dilemma of a raise at work potentially meaning the loss of affordable health coverage for their children.

**Reinforcing Employer-Based Coverage:** A number of states and local governments are working to reinforce employer-provided health insurance by requiring irresponsible employers who refuse to provide coverage to either expand health care for their employees or pay a fee to either the government or to the employees directly to provide funds to cover the uninsured.

- **Maryland, New York City, and Suffolk County** have all passed such employer “fair share” laws for large retail establishments.
- A majority of the **Chicago City Council** voted for an ordinance to require large retail stores to provide a combination of wages and benefits like health care to their employees.
- New York State advocates are promoting a more comprehensive “fair share” bill that would cover most non-manufacturing businesses with 100 or more workers.
- And as part of the more universal proposals discussed below, **San Francisco, Massachusetts** and **Vermont** all approved requirements that employers not providing health care pay fees to help fund health care for the uninsured.

**Universal Coverage:** The most sustained way to extend coverage to all children is to make health care coverage universal for everyone in society, including children and their parents, especially as millions of children are losing coverage while employers drop coverage for their families. A number of states and local governments are promoting programs to achieve that goal with a combination of requirements that employers that don't provide coverage make a contribution to cover their employees, additional funds from coverage, along with reasonable contributions from individuals based on their ability to pay.

- **San Francisco** in 2006 approved the most comprehensive program in the country, promising to provide health care to every uninsured resident, funded with a combination of public funds and contributions by employers not currently providing care to their employees.
- While not yet enacted, there are campaigns for legislation in both **California** and **Wisconsin** to create integrated, universal health care systems that would achieve both the guarantee of coverage and the cost savings.
- **Vermont** and **Massachusetts** have both approved plans to significantly expand coverage for residents with the goal of universal coverage through both expanded state subsidies and promoting more affordable private insurance. However, the Vermont plan has clearer mandates for what constitutes affordable coverage and both fail to cover all state residents.

#### *Talking Points on Health Care for All Kids*

- In 2003, uninsured children were 2.7 times more likely than insured children not to have seen a health care provider in the previous 12 months; uninsured children were more than twice as likely to have gone without a preventive care visit in the past year as children who had insurance.
- Uninsured children are 10 times more likely to have an unmet health care need than insured children.

- Lack of health insurance is by far the largest contributor to racial and ethnic disparities in treatment and outcomes for minorities compared to whites. Nearly one in five Hispanic children and one in seven African American children are uninsured, compared to about one in 13 white children.

Good health care plays an important role in helping children succeed in school, since good health means a child is less likely to miss classes, is better able to pay attention in school, and can participate in all school activities.

---

## E = Excellent Child Care

---

Key legislative models enacted or proposed in various states that can be used as models for legislation in other states (for more details, read below, or check the website):

- **Tax Credits:** State Dependent Care Tax Credits help subsidize child care for parents through the tax code.
- **Quality Child Care:** The Smart Child Care Act model legislation, based on an innovative program in North Carolina, promotes public-private child care partnerships to expand the availability of quality day care centers.
- **Expanding PreSchool:** The Oklahoma Preschool Program has helped that state achieve the highest rate of 4-year olds in preschool of any state in the country, while the Illinois Preschool for All law is a good model for states trying to move forward on expanding preschool.

**The Big Picture of Excellent Child Care:** For parents who are employed, peace of mind is knowing their children are in quality child care and early education programs. For single mothers particularly—79% of whom are in the workforce - decent programs for kids during work hours are a lifeline. Not only do such programs support working families, but they are critical investments in the workforce of tomorrow. Since child care and early education systems vary so widely across different states, the models in this section promote policy guidelines, rather than particular legislative language, for two broad areas of early education and care.

These actions fall into two broad categories discussed in more detail below:

1. Child Care Programs
2. Pre-Kindergarten Programs

### 1. Child Care Programs

---

For parents, providing child care is both a financial burden and a logistical challenge in finding quality care, especially for children with special needs. States are working to address these challenges with a number of different approaches:

- **Expanding Eligibility for Child Care Funds:** The federal government allows states to extend federal child care subsidies to families earning up to 85% of a state's median income (SMI), yet only Alaska, Hawaii, Maine, Mississippi and Nevada extend child care assistance to families making 75% or more of the SMI. States also need to make sure that co-payments are not too burdensome on working families.
- **Improving State Child Care Tax Credits:** The federal Child and Dependent Care Credit is poorly targeted; since it is unavailable to the many working families that don't pay income taxes. A number of states have created reformed state child care credits that are refundable and available to more of the working poor. New York and Nebraska provide the most generous refundable tax credits— credits equal to 100% of the federal child care credit.

- **Using Work Support for Early Childhood Education:** Policymakers can promote use of federal Child Care Development Fund (CCDF) and TANF money to promote child care that delivers better early childhood education.
- **Promoting the Availability of Child Care Facilities:** North Carolina's Smart Start program has been one model for using public-private partnerships to promote the availability of quality child care facilities, while other states have begun using public contracts to encourage providers to serve groups currently needing facilities.

*Talking Points for Child Care Programs*

- Children in high quality day care display greater language ability and math skills, develop better social skills with peers and teachers, and see impacts on a child's education throughout their careers.
- Investing in quality child care has been shown to improve later behavior in school and decrease adult crime rates, leading to lowered costs for states and safer communities.
- Child care as an industry is becoming an increasingly important component of regional economic development, both for those working directly in child care, and as a supporting industry for other businesses that need quality child care available to attract and retain good employees.
- The US military has created a model child care system for 200,000 children of its members, a system that has been cited as demonstrating the advantages to all employers of having quality childcare to build employee morale and loyalty.

## 2. Pre-Kindergarten Programs

---

In the last few years, state commitments to fund pre-K programs have been accelerating. In 2005, state lawmakers increased pre-K funding by \$600 million across 26 states, adding 180,000 more children to pre-school rolls around the country. States like **Florida**, **Georgia** and **Oklahoma** have committed in various ways to statewide programs to extend preschool programs to all 4-year olds, and **Illinois** this year became the first state to make a commitment to the goal by 2010 of providing pre-K to all 3-year olds as well, regardless of family income.

Other states have not yet committed to universal preschool but are expanding programs and studying options to move in that direction.

*Talking Points on Pre-K Programs*

Three simple reasons explain this turn to universal pre-K:

- **Educational Equity:** Since research increasingly shows that early education provides children with the skills necessary for later school success, most analysts see broadly-accessible preschool as critical for giving all children an equal educational opportunity. A study by NIEER of pre-K programs in five states—**Michigan**, **New Jersey**, **Oklahoma**, **South Carolina** and **West Virginia**—found that children in those states had clear gains in early language, literacy, and mathematical development. A more recent study of the Oklahoma pre-K program found across-the-board gains from preschool for all socio-economic groups. Significantly, the Oklahoma study indicated that lower-income children gained more benefits when programs included middle-income children— a strong argument for more universal preschool programs that bring children together from all communities.
- **Economic Returns:** And if the returns to the children are clear, so are the economic returns to states investing in them. The business-backed Committee for Economic Development released a major study, *The Economic Promise of Investing in High Quality Preschool*, highlighting research that every dollar invested in preschool is expected to yield \$2 to \$4 in future societal benefits, including savings for states from less crime and lower remedial educational costs down the road.

- **Easing Financial Burden on Parents:** One key benefit of preschool programs is that they ease the financial burden on parents of paying for child care and preschool programs themselves. It also ensures that working families are not forced to put their kids in substandard and potentially unsafe care situations out of financial desperation. A recent study found that families with a 4-year-old spend an average of \$3,016 to \$9,628 a year in child care fees— roughly 10% of median household incomes and an even higher percentage for many lower-income working families. While pre-K doesn't solve all those child care issues, it can play a significant role in easing the burden and can provide a real alternative to often substandard child care options.

---

## R = Realistic and Fair Wages

---

Key legislative models enacted or proposed in various states that can be used as models for legislation in other states (for more details, read below, or check the website):

- **Minimum Wage:** States and communities across the country have been raising the minimum wage rate. San Francisco now has a city minimum wage law, indexed to inflation that pays \$8.82 per hour, the highest rate in the country.
- **Industry-Specific Wage Rates:** A number of areas have enacted or proposed laws raising wages in specific business sectors, including Santa Fe's Large Employers Minimum Wage Law, the Emeryville, CA. Large Hotel Minimum Wage Law and the proposed Chicago Large Retailer Living Wage Law
- **Prevailing Wage Laws:** New Jersey and Illinois extend higher wages to public works contracts as well as to building service workers doing government work.
- **Living Wage Laws:** Hundreds of local jurisdictions have enacted living wage laws for all other government contractors.
- **Responsible Contractor Laws:** Local policies can also bar employers who violate minimum wage and other labor standards from receiving government contracts, including the Los Angeles Responsible Contractor Ordinance and the Michigan Responsible Contractor Executive Order.
- **Other Wage Enforcement:** To strengthen enforcement of wage laws, states have created other enforcement models, including California's Labor Code Private Attorneys General Act to allow labor advocates to enforce state laws, the California Sweatshop Accountability Law to hold garment firms responsible for their subcontractors, the NY Bus. Corp. Law which holds large shareholders liable for wage claims in cases of bankruptcy, and a range of Laws Preventing Independent Contractor Misclassification.
- **Stopping Discrimination in Pay Based on Parenthood:** To protect parents from suffering wage discrimination, laws like the District of Columbia Human Rights Act specifically bar discrimination based on "family responsibilities" or parental status.

**The Big Picture of Realistic and Fair Wages:** The reality for working Americans is that wages have been largely stagnant for over three decades. The federal minimum wage, adjusted for inflation, has steadily declined in the last forty years. Yet states are promoting policies to make sure work pays a living wage, including:

1. Raising the Minimum Wage
2. Using Government Contracts to Raise Wages
3. Better Enforcement of Wage Standards
4. Prohibiting Discrimination against Employees with Family Responsibilities

### 1. Raising the Minimum Wage

---

To assure that families have the wages to take care of their families, states have been acting to assure that minimum wages are reasonable— and creating innovative strategies to expand beyond traditional wage laws, including:

- **Raising the Rate:** States and local governments have been raising the minimum wage across the country. The key decision in each state has been how high to raise the rate. The highest general minimum wage rate is \$8.82 per hour at the city level in San

Francisco and \$7.63 at the state level in Washington State. Historically, the highest inflation-adjusted rate for the minimum wage was \$9.31 at the federal level in 1968 and \$9.66 per hour in New York in 1970, so even the highest current minimum wage rates are far below those historic rates. The other important policy goal should be to index the minimum wage rate to inflation, so that its value does not erode year by year, as has happened over the last three decades. **Washington State, Oregon, Florida, and Vermont** now index their state minimum wage rates to inflation.

- **Eliminating the Tip Penalty:** While many states force tipped workers to count tips received as part of their wage, effectively creating a lower minimum wage for those workers, seven states have eliminated this tip penalty and created a uniform minimum wage for all workers.
- **Creating Living Wage Standards for Particular Industries:** A number of cities and states have begun establishing higher minimum wage rates for specific industries and defined groups of employers. These include the **City of Berkeley** requiring firms operating in its pricy Marina tourist zone to pay \$9.75 per hour plus benefits to the **City of Santa Fe** enacting an ordinance requiring all businesses with twenty-five or more employees — roughly 9% of employers in the town — to pay a higher minimum wage (\$10.50 per hour by 2008) to **Emeryville, CA** approving a ballot measure that requires large hotels to pay at least \$9 per hour in compensation. Most recently, the **Chicago City Council** voted for a ground-breaking ordinance that would require large retailers to pay \$10 per hour plus \$3 per hour in benefits to all employees.

### *Talking Points on the Minimum Wage*

- Thirty-five percent of workers who receive a minimum wage are their families' sole earners. Sixty-one percent are women, and almost one-third of those women are raising children.
- If the minimum wage had increased at the same rate as the salary increase CEOs have received, the minimum wage rate would now be \$23.03 per hour.
- Extensive analysis in multiple states by scholars like David Card and Alan Krueger and groups like the Economic Policy Institute have documented that minimum wage increases have little effect on employment but large effects on improving the lives of working families. In fact, there is good evidence that by increasing the purchasing power of working families, wage regulation can increase employment, especially in lower-wage communities that most need it.
- Small businesses perform better in states with higher minimum wages. Between 1998 and 2004, the job growth for small businesses in states with a minimum wage higher than the federal level was 6.2 percent compared to a 4.1 percent growth in states where the federal level prevailed.
- Historically, there have been different federal minimum wage rates for different industries and larger firms versus smaller firms. State law and wage commissions have often created different minimum wage levels both between and within different industries.
- Multiple courts, including in New Mexico and California, have emphasized that US Supreme Court precedent establishes that wage regulation in a single industry, or even a subset of firms within an industry, is perfectly legal and often appropriate, since economic policy often needs to be flexible in setting different wages rates depending on the size of the firm or the needs in particular industries.

## **2. Using Government Contracts to Raise Wages**

---

One of the oldest tools of government for raising wages is requiring that companies doing work on behalf of the public pay a wage that reinforces strong wage standards for that industry. With state and local governments purchasing over \$400 billion in goods and services and handing out economic development subsidies and leases worth tens of billions of dollars more, there are a variety of models for states leveraging their spending power to strengthen wage standards throughout the economy.

- **Prevailing and Living Wage Laws:** The federal government and thirty-three states require that work done on public works—transit and public building construction primarily — meet “prevailing wage” standards, usually the union wage for any occupation, thereby strengthening the high-wage construction industry in the United States. More recently, state and local prevailing wage laws have been extended in a number of states to other kinds of government services contracts.
- **Living Wage Laws for Government Contractors:** An alternative model to prevailing wage laws—which set separate wage levels for each occupation—are living wage laws which require that all government contractors pay at least a living wage, usually on the order of \$10, \$11 or \$12 per hour plus health care benefits. Over a hundred cities and counties have enacted living wage laws around the country. The Maryland and California legislatures approved state living wage bills in 2003, only to see them vetoed by their governors.
- **Wage Requirements on Government Leases:** A number of governments have attached living wage requirements to businesses leasing government property. These lease ordinances include airports in a number of cities such as Oakland, Los Angeles and San Francisco.
- **Leveraging Economic Development Funds:** State and local governments handing out over \$50 billion in state and local subsidies to promote economic development have powerful leverage in the labor market when they require that recipients pay a decent wage. Forty-three states, forty-one cities and five counties attach some wage requirements to at least one subsidy program, although most subsidy programs unfortunately still have no wage requirements, highlighting the need for more comprehensive legislation in each state, such as AB 1093, the proposed 2003 **California Living Wage** bill for government contracts.

#### *Talking Points on Using Government Contracts to Raise Wages*

- Some critics worry that prevailing wage laws might drive up costs for state government, but, in fact, paying a decent wage leads to a more skilled workforce, less turnover and higher quality work—and ends up saving the government money over the long term.
- Similarly, governments that have implemented living wage laws have seen little if any increased costs from requiring increased wages by contractors, according to a number of recent studies.
- Applying wage standards to public contracts can save governments money, since the employees of contractors paying a prevailing or living wage are less likely to end up needing local welfare or health care services.

### **3. Better Enforcement of Wage Standards**

---

While a strong wage rate is important for workers, it gains little if the laws are not enforced. Unfortunately, the facts of widespread illegal violations of our wage laws have been clear for years: the U.S. Department of Labor (DOL) found in 2000 that 60% of US nursing homes routinely violated overtime, minimum wage, or child labor laws. Another 2004 study from DOL data found that 54% of contractors in the Los Angeles garment industry violated the minimum wage law. And in 2005, a survey of hundreds of New York City restaurants found that more than half were violating overtime or minimum wage laws.

In response, states and local governments have been developing a range of tools to crack down on wage law violators.

- **Increasing Penalties for Breaking Wage Laws:** In practice, the punishment for violating the minimum wage law and getting caught is usually at worst just paying what is owed or maybe a small fine on top of that. Compared to the profits from underpaying the rest of their employees, such tiny fines in the few instances where businesses get caught are just the cost of doing business. States are increasing penalties, denying public contracts to wage law violators, enforcing criminal “theft of wages” statutes against lawbreaking employers, and ending incentives for employers to exploit undocumented workers by punishing retaliation against any worker, regardless of immigration status, who seeks to enforce wage laws.
- **Expanding Funding for Enforcement:** States can also take action to expand their own budgets for enforcement and encourage other groups to step up to help low-wage employees bring actions against wage law violators. States can encourage greater enforcement by local governments, increase funding for legal services agencies who often serve low-wage populations, and strengthen the ability of unions and other worker advocates to enforce state labor laws.

- **Holding Employers Accountable in Nonstandard Work Situations:** Special measures are needed to target employers who evade labor laws by shifting employees into small fly-by-night subcontractors or using other means to escape formal legal responsibility. Often employees are cheated of wages but find they don't have a legal employer or that their actual legal employer has declared bankruptcy to avoid liability, even as the main company that benefited from their exploitation is immune from lawsuit. States should hold contractors liable for wage and hour violations by subcontractors, prevent misuse of bankruptcy laws by companies, and prevent misclassification of employees as “independent contractors” to escape liability for wage law violations.

*Talking Points for Better Enforcement of Wage Standards*

- Unless penalties for wage law violations are more severe, companies treat the occasional small fine for violating wage laws as a cost of doing business made up for not getting caught paying illegally low wages to other employees.
- Larger penalties protect law-abiding employers who face unfair competition from companies that violate the law.
- Theft of wages from poor workers should be considered as serious a crime as other thefts— and should be punished accordingly.
- Workers in nonstandard work situations face lower pay and fewer benefits than full-time permanent workers, greater discrimination, dangerous working conditions, and an almost complete lack of job security. Most belong to vulnerable populations — women, minority, immigrant, or lower-skilled workers).
- The rise of exploitative nonstandard work relations has thrived in an environment of an almost total lack of enforcement of labor and employment laws for these workers, as well as state laws that often undermine the rights of nonstandard workers.

#### **4. Prohibiting Discrimination Based on Family Responsibilities**

---

While roughly half the states prohibit discrimination in hiring or wage rates based on a person's marital status, only Alaska and the District of Columbia include being a parent or having family responsibilities as a class protected within their state anti-discrimination laws (although most states protect employees against retaliation when they take advantage of specific family leave laws). Without specific protection against discrimination based on family responsibilities, those with family responsibilities can easily face discrimination in pay or hiring from employers who prefer employees less likely to demand family-friendly policies or use them when provided.

*Guidelines and Models for Prohibiting Discrimination Against Parents*

- Alaska Unlawful Employment Practices statute includes “parenthood” within categories protected from discrimination
- District of Columbia Human Rights Act specifically bars discrimination based on “family responsibilities”
- Pennsylvania bill proposed to bar discrimination based on “marital” or “familial” status

*Talking Points for Prohibiting Discrimination Against Parents*

- In many workplaces, when employees have obligations outside the office, employers question their values as employees, even if they remain productive and effective. The result is that those who have family obligations are too often subject to discrimination in promotions and risk losing their jobs.
- Problems with child care are the most common cause of conflicts and anxiety for parents at work and often result in some kind of work sanction being taken against the parent.
- While mothers have been the predominant group affected by these practices, this discrimination increasingly affects fathers as well.

## About

---

The **Progressive States Network** was founded in 2005 to drive public policy debates and change the political landscape in the United States, by focusing on attainable, progressive state actions. The Progressive States Network advances this agenda by providing coordinated research and strategic advocacy tools to forward-thinking state policymakers, legislative staff, and non-profit organizations. We function as a meeting space for progressive legislators, activists, and citizens, and serve as a hotbed of information exchange. We track legislation in all 50 states, helping to spark change across the country. We make it easier for people to learn more about how to get good ideas passed into law—and take power into their own hands.

**For more information** on Progressive States, policy options discussed in this program or help in your states, see [www.progressivestates.org](http://www.progressivestates.org) and feel free to contact:

**Nathan Newman, Policy Director at Progressive States Network**

101 Ave. of the Americas, 3rd Fl. New York, NY 10013

(212) 680-3114 • [nnewman@progressivestates.org](mailto:nnewman@progressivestates.org)

## About

---

Shocking but true: There is deep bias against mothers in America today.

One study found mothers are 44% less likely to be hired than equally qualified non-mothers, and are offered an average of \$11,000 lower starting salaries. Another study found women without children make 90 cents to a man's dollar, mothers make 73 cents, and single mothers make about 60 cents to a man's dollar.

This begins to explain why there are so many women and children living in poverty, and why there are so few women in leadership. Countries with family-friendly policies in place don't experience the same motherhood wage penalties we do here. And, America is woefully behind the rest of the world when it comes to implementing policies and programs that support mothers and families. **MomsRising** is working toward cultural and political change to build a more family-friendly America.

MomsRising has a goal of bringing millions of people, who all share a common concern about the need to build a more family-friendly America, together as a non-partisan force for 2008 and beyond. This grassroots, online effort is mobilizing mothers (and all who have mothers) across America as a cohesive force for change. Started this May 2006, MomsRising already has over 50,000 citizen members, as well as more than fifty (and growing) aligned national organizations, working together to create positive solutions for the future.

The members of MomsRising are moving important motherhood and family issues to the forefront of the country's awareness, and are working to break the logjam that's been holding back family-friendly legislation for decades. MomsRising is doing this by providing grassroots support to leaders and organizations addressing key issues such as paid family leave; flexible work options; after-school programs; healthcare for all kids; excellent childcare; and living wages.