Too many questions remain about family leave

ON THURSDAY, the Senate will vote on a paid family medical leave insurance program, HB 628.

The initiative, while well intentioned, will end up creating more problems than it solves.

The costs are unknown, it has never been subjected to an independent actuarial analysis, it is voluntary in name only, and it could easily lead to an income tax.

Many of the most important questions related to how this program would function have no definitive answers — including, how much will the program cost to run?

Initially the startup cost was pegged at $10 million, then jumped to $20 million and now it is $50 million with more than 40 new employees needed at a cost of $6 million per year just to run the system.

When ardent supporters of paid family leave cite the Jeffrey Hayes study for the Institute for Women's Policy Research, they neglect to mention it was commissioned by an organization that supports the program. Rather than relying on a study published by supporters, an independent actuarial analysis should be conducted before such a program is established. No one would ever think of making changes to the state's pension system based on an actuarial analysis done by either a taxpayer group or a union, but for some reason we are going to do that with this program.

Let's not forget that the Commissioners of Employment Security and Insurance, both of whom were nominated and reappointed by Democratic governors, say the same thing: "(W)ithout an independent actuarial analysis of an optional paid leave program, the departments cannot certify to the Legislature or the governor that the paid leave program created by HB 628 would be solvent, and thus be there for program participants who had come to rely upon it."

Even Hayes, whose study supporters cite, was quoted last week as saying that given what is in HB 628, another analysis is a "great idea."

What happens if, or more likely when, the fund goes insolvent?

There is no safety valve in place with a plan for when the fund runs out of money.

leave the program at a later date they better be ready to quit their job or retire because that is the only other way out.

The only thing more ridiculous than a one-time opportunity to opt-out is the overly burdensome process to opt-out in the first place. Requiring an employee to provide a notarized document as part of the process serves as nothing more than a way to force people into the system and make it more difficult for them to not participate.

We as Granite Staters take pride in the fact that we do not have an income tax. Yet, the family leave program before us could lead to a two-fold tax on our citizens' income.

Forcing workers to participate and pay into a system they do not wish to be a part of is certainly a tax on that person's income.

If that isn't egregious enough, this would be in addition to an overall tax on their income that would likely be needed to support the program's unrecognized costs and maintain solvency.

Even if an argument can be made that 0.67 percent tax on wages is not an income tax, the program will certainly lead to one that I certainly will never support.

The paid family leave program that is being presented by its supporters has become nothing more than patchwork of "fixes" for every concern raised about its ability to operate.

Every time a patch amendment is written into the bill, another two problems appear in its place. The program's solvency has been questioned before, yet throughout this legislative process we continue to have more and more unanswerable questions.

Passing this legislation is irresponsible and creates an unsustainable government program that may not be available when our workers are most in need.

The truth is that many private responsible businesses are already providing these services to their employees without putting taxpayers on the hook. Rather than creating an insolvent program destined to fail, we should be creating a business climate where private companies can continue to provide these services for their workers.

Who would pay to bail out the fund? It would require some other form of funding to maintain the program that many would be relying on. Supporters argue this version would not lead to an income tax but I honestly cannot see how it would not.

Additionally, repeating over and over again that this is a "voluntary program" will not make it so. As proposed, employees will have one and only one cumbersome opportunity that requires a notary to opt-out of the program and then they are in for good. If they wish to

Rather than reinvent the wheel, let's pull the plug on this boondoggle.

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Sen. Chuck Morse, R-Salem, is president of the New Hampshire Senate.

Another View

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