

THE ADVOCATE

Dan Fagan: Forced paid leave bill would send Louisiana further behind US' economic growth

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When politicians use the full force of government to oppress the free market, they usually find a cause that pulls at the heart strings of low-information voters. Louisiana Senate Bill 186 is a perfect example.

SB 186, sponsored by Sen. JP Morrell, D-New Orleans, forces private companies to pay their employees for up to 12 weeks while they are away from the job. Morrell's bill has six co-sponsors, all Democrats.

The legislation raises taxes on employees and business owners, using the money to create a Louisiana Family and Medical Leave Fund. The fund would pay workers on leave for reasons like the birth of a child, illness, or caring for a family member.

Sounds innocuous, right? Who wouldn't be for such a thing? But the larger issue is who gets to decide how a company spends its money on benefits for its employees — the government, or the business owner?

Businesses operating in Louisiana's architecture and engineering industry, for example, pay an average salary of \$74,000 per year. If Morrell's forced paid leave mandate becomes law, a company with 200 employees in that field would be forced to pay close to \$100,000 a year in new taxes. That's a hundred grand into a state fund the business could've used to hire an additional employee. Multiply that situation by the number of similar businesses across the state in every sector, and the job losses add up.

Consider the legislation's impact on one of the state's top employers, Lamar Advertising. The company employs more than 3,000 workers. Assuming the average Lamar employee makes approximately \$40,000, the forced paid leave legislation would cost the company \$750,000 a year in new taxes. You can hire a bunch of new workers with \$750,000.

Louisiana's forced paid leave bill, as currently proposed, exempts businesses with fewer than 20 workers. But the legislation's impact on businesses larger than that would be considerable.

Currently, the federal government forces businesses to provide 12 weeks of unpaid leave for workers for certain reasons. Ten states currently, or soon will, mandate paid leave. Arizona's the only state with such legislation that was carried by President Donald Trump in the 2016 election. The other states — California, Connecticut, Maryland, Massachusetts, New Jersey, Oregon, Rhode Island, Vermont, and Washington — were all carried by Hillary Clinton and often embrace anti-capitalist policies.

Both the Louisiana Association of Business and Industry and the National Federation of Independent Business oppose the state forcing paid leave. But despite the objection, the Senate Committee on Labor and Industrial Relations voted 4-1 to advance the legislation.

Dawn Starns, NFIB state director, said her members favor the flexibility of handling leave issues on a case-by-case basis.

"We oppose this effort to further grow the size of government and its involvement in small business practices," she told lawmakers.

At the heart of Morrell's forced paid leave legislation is a fundamental distrust of the marketplace — the idea that businesses must compete for good workers.

The Cato Institute, a pro-market think tank, reports companies have voluntarily increased their paid leave for workers fourfold over the past 50 years. That's expected to improve as unemployment rates continue to drop and are now near record low levels.

New Orleans attorney Zach Butterworth, a supporter of Morrell's bill, told The Advocate only three percent of employees use the benefits in states with forced paid leave requirements.

If that's true, the forced paid leave mandate not only infringes on the rights of business owners, but it also redistributes the wealth of employees. Politicians seem to be fond of redistributing wealth and interfering with the private sector, don't they?

The nation's economy is on fire thanks to Trump's pro-business policies. Louisiana's economy is also strong, but has not kept up with the nation's growth. Gov. John Bel Edwards, a Democrat, and the Republican Legislature have hurt our state's competitiveness by raising billions in new taxes. Edwards has also exasperated the problem with what many consider his anti-business and sue-happy policies. Morrell's forced paid leave bill would cause us to fall even further behind. Have Louisiana politicians like Morrell learned nothing from Trump's economy?