

State and Locality Mandated Paid Leave Policies Impact on Veteran Directed Care Authorized Budgets

Introduction

Many states and localities are implementing paid sick, accrued time off (i.e., general leave) and family and medical leave laws. With each region implementing laws with different requirements and restrictions, Veterans as employers may be obligated pay mandatory leave for their employees and the impact on Veteran authorized budgets for Veteran Directed Care (VDC) may vary.

Guidance

As of January 1, 2024, the U.S Department of Veterans Affairs (VA) allows Aging and Disability Network Agencies (ADNA) to submit **authorized budget amendment** notifications to the VDC Program Coordinator at the VA Medical Center (VAMC) to increase a Veteran's authorized budget to address a cost beyond control due to a government mandate related to the payment of mandatory paid leave.

- The ADNA must notify the VDC Program Coordinator of the Veteran's authorized budget amendment to address a cost beyond control related to the payment of mandatory paid leave by preparing and submitting a quarterly or as needed report ([Appendix B](#)) as an attachment to the Veteran's spending plan. The ADNA must submit the report for each Veteran who paid leave to a worker(s) in the quarter and include the following information.
 - o Veteran name, date of birth, address
 - o Type of leave reported & paid
 - o Worker information
 - Name of worker eligible for paid leave,
 - Date(s) leave was taken and paid,
 - Number of hours of paid leave,
 - Hourly wage, and
 - Total paid leave paid
 - o Emergency backup worker information
 - Name of emergency backup worker,
 - Date(s) EBU worker worked,
 - Number of hours worked to cover primary worker,
 - Hourly wage, and
 - Total EBU wages paid
 - o The total paid leave expenses paid for quarter for the Veteran
- The ADNA must submit authorized budget amendment reports quarterly and as needed to the VDC Program Coordinator, during an authorization period as an attachment to the Veteran's spending plan. ADNAs must coordinate with their in-house FMS division or contracted AwC or VF/EA FMS to prepare the form appropriately according to mandatory paid leave laws using data from Veteran workers' payroll information.
- Upon receipt of the report, the VDC Program Coordinator must update the Veteran's authorized budget in the Veteran's profile within the HealthShare Referral Management (HSRM) platform.
- ADNAs must coordinate with their in-house FMS division or contracted AwC or VF/EA FMS to communicate when the Veteran's authorized budget has been amended.
- Once the Veteran identifies emergency backup workers, the ADNA must complete a Designated Emergency Back-up Worker Authorization form and enroll the worker in the payroll system of the in-house division at the ADNA or their contracted AwC or VF/EA FMS.
- The **amendments** provide ADNAs and FMS entities sufficient funding to cover the cost paid leave without artificially reducing the funds available to Veterans for needed approved goods and services included in their spending plans. Amendments will only increase the funds available to the Veteran by the total cost of the mandatory paid leave.

Appendix A. Key Findings on the Effect of States’ Mandated Paid Leave Laws on VDC Programs

State and locality-based sick, accrued time off (general leave) and family and medical leave laws can vary based on the following factors:

1. type of employees who are eligible,
2. number of hours/days that need to be worked by an employee to qualify,
3. number and type of employees an employer must employ to qualify, and/or
4. circumstances when a benefit must be paid (related to paid Family and Medical Leave Act (FMLA)).

Exhibit 1. Summary of States’ Paid Leave Laws

Paid Sick Leave	Accrued Paid Leave	Paid Family and Medical Leave	Unpaid Federal and State Family and Medical Leave
<ul style="list-style-type: none"> - Private employers in 16 states (AZ, CA, CO, CT, MD, MA, ME, MI, MN (1/1/2024), NJ, NM, NY, OT, RI, VT, WA State), D.C. and 20 municipalities require paid sick or accrued time off (general leave). - Some states (MA and VT) pay sick leave expenses directly outside of the program participants’ budgets. 	<ul style="list-style-type: none"> - Some states (CO, IL, MD, NV) have implemented accrued time off (general leave) laws. - Example. 2023 IL Paid Leave for All Employees Act (effective Jan. 1, 2024) 	<ul style="list-style-type: none"> - 13 states (CA, CO, CT, DE, HA, MD, MA, MN (2026), NJ, NY, OR RI, WA State), D.C. and Puerto Rico require paid leave for an employee’s serious health condition or disability and three states (NH, VT, VA) have adopted voluntary paid family and medical leave insurance programs. 	<ul style="list-style-type: none"> - The federal FMLA guarantees covered employees the right to up to 12 weeks of unpaid leave in a year for qualifying events. In addition, many states have their own unpaid FMLA or medical leave laws, sometimes referred to as state FMLAs (CA, CT, HA, ME, NJ, OR, RI, VT, and WI as well as D.C.).

Note: The chart above contains information as of 11/30/2023. More states and localities are considering implementing leave programs in the future. Please check respective state resources for policies and updates.

Appendix B. Quarterly Paid Leave Report

ADNAs must submit one quarterly report for all Veterans who had to pay paid leave for workers in a given month.

Veteran Key Information	
Veteran Name	
Date of Birth	
Veteran Address	
Type of Leave Reported & Paid (Select ONE)	
<input type="checkbox"/> General	
<input type="checkbox"/> Sick Leave	
<input type="checkbox"/> Family Medical	
Worker Information	
Name of Worker Eligible for Paid Leave	
Date(s) Leave was Taken and Paid	
Number of Hours of Leave Paid	
x Hourly Wage (\$_/hr)	X \$ _____ / hr
= Total Paid Leave Paid	= \$ _____
Emergency Backup Worker Information	
Name of Emergency Backup (EBU) Worker	
Date(s) EBU Worker Worked	
Number of Hours Worked to Cover Primary Worker	
x Hourly Wage (\$_/hr)	X \$ _____ / hr
= Total EBU Wages Paid	= \$ _____
Total Paid Leave Expenses Paid for Quarter for the Veteran	
= Total Paid Leave + Total EBU Wages	= \$ _____