

**ALEC EXPOSED**

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

**ALEC's Corporate Board**  
—in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at [www.SourceWatch.org](http://www.SourceWatch.org).

**DID YOU KNOW?** Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Home → [Model Legislation](#) → Commerce, Insurance, and Economic Development

**Resolution Opposing Federal Regulation to Extend Unemployment Insurance Benefits to New Parents**

**Summary**

On December 3, 1999, the U.S. Department of Labor (DoL) published a proposed Birth and Adoption Unemployment Compensation Rule (Baby-UI) in the Federal Register to reverse long-standing Federal Unemployment Tax Act (FUTA) standards and permit workers with newborn or newly adopted children to collect unemployment insurance (UI) benefits while on leave. The proposed rule also contains model state legislation to promote this objective. The Resolution Opposing the Federal Regulation to Extend Unemployment Insurance Benefits to New Parents identifies serious problems with the proposed rule, affirms the historical intent of the UI system, and recognizes that such a significant expansion of the system should be made by Congress.

**Model Resolution**

**WHEREAS** the tax burden on American workers is at a record high and surplus unemployment tax revenue continues to be used for purposes totally unrelated to the unemployment system; and

**WHEREAS** the plain meaning of the term "unemployment" as used in the FUTA requires all unemployment compensation claimants to meet a 3-pronged test; under this test, UI claimants must be without a job, involuntarily unemployed, and able and available for work; and

**WHEREAS** these federal requirements are the cornerstone of UI policy, confirmed by consistent administrative interpretation, FUTA legislative history, and congressional action; and

**WHEREAS** the proposed rule undermines the original intent of the UI program because it significantly changes the involuntarily unemployed and able and available for work requirements by allowing the payment of UI benefits to workers who are voluntarily on leave of absence; and

**WHEREAS** because Baby-UI benefits would be socialized and not charged to the specific employer the overall level of experience rating in the system will decline as non-parental employers (those that typically hire single young workers) subsidize employers that hire greater numbers of married workers of childbearing age; and

**WHEREAS** the absence of any requirement in the proposed rule to show contact and interaction with a new child while collecting Baby-UI benefits could lead to large scale abuses and increase the number of improper UI payments; and

**WHEREAS** if it becomes permissible to pay UI benefits to new parents, then federal law will effectively permit states to use UI trust funds to compensate workers who take leave for other reasons; and

**WHEREAS** there is no need for the federal government to intervene because many workers already have paid parental leave programs from their employers that pay more than what they would get from the UI system; and

**WHEREAS** it is not clear that given a choice of benefits low-wage workers would choose paid paternity leave over other kinds of benefits or higher wages; and

**WHEREAS** the proposed rule would create a massive new entitlement for all workers to try and address a very small problem;

**NOW THEREFORE BE IT RESOLVED**, that the State/Commonwealth of (insert state) affirms the historical intent of the UI program: that UI benefits should be paid only to individuals who are involuntarily out of work;

**BE IT FURTHER RESOLVED**, that Congress should repeal the federal unemployment surtax on workers' wages and not allow the President to unilaterally convert the Unemployment Insurance program into a huge new government entitlement program unrelated to unemployment.

**BE IT FURTHER RESOLVED**, that the Clerk (of the House or Senate) transmit copies of this Resolution to the President and Vice President of the United States and to each

Did you know that global corporation Kraft Foods served as corporate co-chair in 2011?

member of Congress of the United States.

*Adopted by the CIED Task Force at the Annual Meeting July 10, 2000. Approved by the ALEC Board of Directors August 2000.*

**About Us and ALEC EXPOSED.** The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish [www.PRWatch.org](http://www.PRWatch.org), [www.SourceWatch.org](http://www.SourceWatch.org), and now [www.ALECexposed.org](http://www.ALECexposed.org). For more information contact: [editor@prwatch.org](mailto:editor@prwatch.org) or 608-260-9713.