

Honolulu, Hawaii

MAR 23 2018RE: H.B. No. 2598
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Labor, to which was referred H.B. No. 2598,
H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO FAMILY LEAVE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Labor and Industrial Relations to establish paid family leave for all workers by January 1, 2020;
- (2) Authorize the Department of Labor and Industrial Relations to adopt interim rules;
- (3) Establish the Paid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations and report to the Legislature;
- (4) Require the Legislative Reference Bureau to conduct a study, including an actuarial analysis, on aspects of implementing paid family leave; and
- (5) Establish and appropriate funds into and out of a paid family leave special fund.



Your Committee received testimony in support of this measure from the Office of the Governor; Department of Labor and Industrial Relations; Department of Human Services; Commission on the Status of Women; LGBT Caucus of the Democratic Party of Hawaii; Domestic Violence Action Center; Caring Across Generations; Planned Parenthood Votes Northwest and Hawaii; Hawaii State AFL-CIO; Filipina Advocacy Network; Hawai'i Women Lawyers; Community Alliance on Prisons; American College of Obstetricians and Gynecologists; PHOCUSED; American Association of University Women Hawaii; Hawaii Appleseed Center for Law & Economic Justice; Hawai'i Public Health Institute; Hawai'i State Democratic Women's Caucus; International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO; Hawaii Women's Coalition; IMUAlliance; Hawaii State Teachers Association; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Children's Action Network; I.A.T.S.E. Local 665; YWCA Oahu; AARP Hawaii; O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; Labor Caucus of the Democratic Party of Hawai'i; and four individuals. Your Committee received testimony in opposition to this measure from Hawaii Petroleum, Aloha Shell Service, Hawai'i Restaurant Association, Hawaii Credit Union League, Building Industry Association of Hawaii, Retail Merchants of Hawaii, Society of Human Resource Management-Hawaii Chapter; and Maui Chamber of Commerce. Your Committee received comments on this measure from the Department of Budget and Finance, Legislative Reference Bureau, Hawaii Food Industry Association, General Contractors Association of Hawaii, The Queen's Health Systems, and Highway Inn.

Your Committee finds that Hawaii's working families are especially vulnerable, and that the majority of Hawaii's workforce cannot afford to take unpaid leave to provide care for a newborn, bond with a new child, care for a family member with a serious health condition, or be a caregiver to an aging parent. Yet, for 240,000 employees who serve as primary caregivers to a family member, that is the dilemma they regularly face. Your Committee further finds that seven in ten children live in a household where both parents work, and over a quarter of children live in households with single parents; therefore, a lack of meaningful paid family leave policies makes such households especially vulnerable.



This measure will lay the groundwork to implement a paid family leave framework so that all employees can access leave benefits during times when they need to provide care for a family member.


Your Committee has amended this measure by:

- (1) Providing that the Department of Labor and Industrial Relations' selection of a paid family leave model shall give preference to universal coverage, ease of filing claims, speed of receiving benefits, minimal administrative costs, data collection capabilities, and speed of implementation;
- (2) Modifying the membership of the Paid Family Leave Implementation Board as follows:
 - (A) Designating that the Director of Human Resources Development, Comptroller, Chairperson of the Senate Committee on Labor, and Chairperson of the House of Representatives Committee on Labor are nonvoting members;
 - (B) Replacing the Insurance Commissioner with an insurance representative; and
 - (C) Adding a nonprofit budget and policy center representative, to be appointed by the Governor; and
- (3) Requiring, by January 1, 2020, and upon adoption of rules establishing paid family leave, that the Paid Family Leave Implementation Board develop and adopt recommendations to assist businesses complying with paid family that may include but not be limited to tax credits or deductions or grants for the hiring of temporary workers through the development of a supplemental fund; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2598, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2598, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor,



JILL N. TOKUDA, Chair



