

STAND. COM. REP. NO.

2913

Honolulu, Hawaii

MAR 02 2018

RE: S.B. No. 2990
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2990, S.D. 1, 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 establish paid family leave for all workers.

Specifically, the measure:

- (1) Requires the Department of Labor and Industrial Relations to adopt administrative rules by January 1, 2020, that establish a paid family leave program that includes an unspecified minimum number of weeks of paid leave, coverage for all employees, a system of progressive wage replacement, and job protections;
- (2) Authorizes the Department of Labor and Industrial Relations to adopt interim rules to remain in effect until January 1, 2022, or permanent rules are adopted, whichever occurs sooner;
- (3) Establishes a temporary Paid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations and report to the Legislature;



- (4) Requires the Legislative Reference Bureau to conduct comparative and actuarial analyses;
- (5) Establishes the paid family leave special fund; and
- (6) Appropriates funds to the Department of Labor and Industrial Relations and Legislative Reference Bureau.

Your Committee received written comments in support of this measure from the Department of Human Services; Hawaii State Commission on the Status of Women; AFL-CIO; Hawaii Government Employees Association; Hawaii State Teachers Association; Planned Parenthood Votes Northwest and Hawaii; Mental Health America of Hawaii; League of Women Voters Hawaii; Healthy Mothers Healthy Babies; Smart Yields; Hawaii State Commission on Fatherhood; Hawaii Appleseed Center for Law and Economic Justice; PHOCUSED; Hawaii Children's Action Network; American College of Obstetricians and Gynecologists, Hawaii Section; IMUAlliance; Hawaii Women's Coalition; Young Progressives Demanding Action - Hawaii; YWCA Oahu; National Association of Social Workers, Hawaii Chapter; AARP Hawaii; Hawaii Women Lawyers; BEST Birth Hawaii, Pregnancy Center and Doula Agency; Hawaii Alliance for Progressive Action; American Association of University Women, Hawaii; Hawaii Public Health Institute; Hawaii State Democratic Women's Caucus; Caring Across Generations; Americans for Democratic Action Hawaii; Community Alliance on Prisons; International Brotherhood of Electrical Workers Local Union 1260; Project Vision Hawaii; American Civil Liberties Union of Hawaii; and approximately one hundred twenty individuals.

Written comments in opposition were received from SHRM Hawaii and the Chamber of Commerce Hawaii.

The Department of Budget and Finance, Department of Labor and Industrial Relations, Legislative Reference Bureau, ILWU Local 142, Hawaii Food Industry Association, and General Contractors Association of Hawaii submitted written comments on the measure.

Your Committee finds that establishing a system of paid family leave will assist many workers in the State who shoulder the responsibility of caring for a loved one while trying to make ends meet.



However, your Committee also recognizes that a number of issues and concerns have been raised by departments and agencies with respect to the implementation of paid family leave as established by the measure, including the following:

- (1) The Department of Budget and Finance highlighted the importance of having a "clear understanding of the issues and costs related to implementing a mandated paid leave system" before enacting any legislation;
- (2) The Department of Labor and Industrial Relations commented on the complexity of this undertaking and expressed numerous concerns, including the adequacy of resources available for implementation, the possibility that a mandated paid leave system may be premature, and factors that could delay the work of the Paid Family Leave Implementation Board and make the measure's 2019 deadline for the Implementation Board's report to the Legislature "ambitious";
- (3) The Legislative Reference Bureau commented on the unnecessarily complicated division of responsibilities between the Paid Family Leave Implementation Board, Department of Labor and Industrial Relations, and the Bureau, as well as the duplication of effort among these agencies under the measure; and
- (4) The Department of Human Services noted that there already exists a "wealth of data" in the form of a 2017 research study conducted by the Hawaii State Commission on the Status of Women. The study, funded by a federal grant program supporting research and analysis of paid family leave programs at the state level, used Hawaii-specific data and employee information, and according to the Hawaii State Commission on the Status of Women, is a "thorough study of the issues and costs related to [implementing] a mandated paid leave system".

Should this measure move forward as part of the legislative process, your Committee respectfully requests that the subsequent Committees to which this measure is referred consider the foregoing issues and concerns.

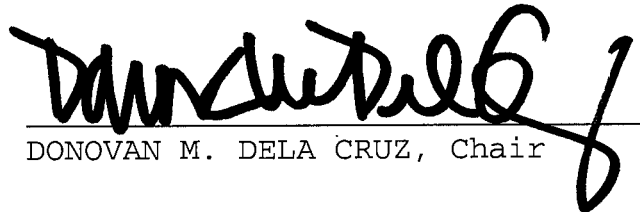


Your Committee has amended this measure by:

- (1) Clarifying a reference to "all employees of employers who employ one or more employees", with respect to the persons to be covered by the paid family leave program;
- (2) Clarifying that all executive branch departments and agencies shall enter into and participate in data-sharing agreements for purposes of implementing a paid family leave program;
- (3) Changing the appropriation amounts to unspecified sums;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2990, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2990, S.D. 2.

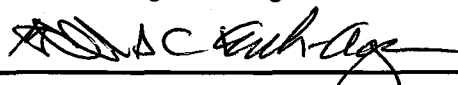
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2990, SD1	Committee Referral: LBR, WAM	Date: 2/28/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil		X		
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
TOTAL	10	1		
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes