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## HOUSE CONCURRENT RESOLUTION

REQUESTING THE DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS TO CONVENE A TASK FORCE TO STUDY, DESIGN, AND DEVELOP A PAID FAMILY LEAVE PILOT PROGRAM.

1	WHEREAS, most workers, at some point in their lives, may				
2	need to take time off from work to care for an ill family				
3	member; and				
4					
5	WHEREAS, under the federal Family and Medical Leave Act of				
6	1993, as amended, certain employees who work for employers with				
7	fifty or more employees are eligible for up to twelve weeks of				
8	unpaid job-protected leave for qualifying reasons, such as a				
9	serious health condition of the employee or certain family				
10	members of the employee or other qualifying events; and				
11					
12	WHEREAS, employees who are temporarily disabled from work				
13	due to illness, non-work-related injury, and other specified				
14	conditions are eligible for paid leave under the Hawaii				
15	Temporary Disability Insurance (TDI) Law; and				
16					
17	WHEREAS, in contrast, under the State's Family Leave Law,				
18	certain employees who work for employers with one hundred or				
19	more employees are eligible for up to four weeks of unpaid				
20	job-protected leave for qualifying reasons, which includes the				
21	birth or adoption of a child or to care for certain family				
22	members with a serious health condition; and				
23	WUEDER family leave provided under federal and state laws				
24 25	WHEREAS, family leave provided under federal and state laws is mainly unpaid, and as of March 2018, only seventeen percent				
25	of workers in the United States had access to paid family leave				
26 27	through their employers; and				
27 28	chrough cheir employers; and				
28 29	WHEREAS, a report published by the Aloha United Way in 2020				
29 30	titled "ALICE in Hawai'i: A Financial Hardship Study", reported				
30 31	that despite the steady economic improvements in Hawaii from				
31	that despite the steady economic improvements in nawali itom				

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2010 to 2018, during which the gross domestic product grew, the 1 unemployment rate fell to historic lows, and wages rose, almost 2 3 half of the families in Hawaii were struggling to make ends meet in 2018; and 4 5 WHEREAS, with such financial constraints, a majority of 6 7 Hawaii's workforce cannot afford to take unpaid leave for family caregiving purposes, whether it be to take care of an aging 8 9 family member or to care for a newborn; and 10 11 WHEREAS, in November 2019, the AARP Public Policy Institute reported that as of 2017, there were approximately 157,000 12 unpaid family caregivers in Hawaii, and while the majority of 13 family caregivers are women, there is a growing trend for men, 14 especially adult sons, taking on family caregiving tasks for 15 their aging parents, other older relatives, or close friends; 16 17 and 18 WHEREAS, forty-four percent of male family careqivers 19 reported moderate to high financial strain as a result of 20 21 caregiving; and 22 WHEREAS, the need for leave to care for elderly family 23 members in Hawaii is expected to increase, as the Department of 24 Business, Economic Development, and Tourism projected in 25 June 2018 that the percentage of residents aged sixty-five years 26 and older, which constituted 17.1 percent of the State's 27 28 population in 2016, is expected to rise to 19.1 percent in 2020, 29 and to 22.6 percent in 2030; and 30 WHEREAS, as of January 2021, nine states, including 31 California, Colorado, Connecticut, Massachusetts, New Jersey, 32 New York, Oregon, Rhode Island, and Washington, and the District 33 of Columbia have enacted paid family and medical leave laws; and 34 35 WHEREAS, the federal Family and Medical Leave Act of 1993 36 was amended in 2020 to allow certain covered federal civilian 37 employees up to twelve weeks of paid parental leave in 38 connection with the birth of a child or placement of a child for 39 adoption or foster care occurring on or after October 1, 2020; 40 41 and 42 43 WHEREAS, Act 109, Session Laws of Hawaii 2018, began the groundwork to establish a paid family leave framework in the 44 2021-2602 HCR104 SD1 SMA.doc



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State by requiring the Legislative Reference Bureau to analyze 1 the impacts of establishing a paid family leave program on 2 3 certain industries, consumers, employees, employers, and caregivers that would enable the Legislature to choose a model 4 or framework that will work best for Hawaii's workforce; and 5 6 7 WHEREAS, in December 2019, the Legislative Reference Bureau issued its Paid Family Leave Program Impact Study, which 8 projected the costs and staffing required to establish and 9 maintain a paid family leave system in Hawaii under three social 10 11 insurance models: 12

13 (1) A system funded exclusively by the State, such as a14 state-administered insurance fund;

(2) A system that allows private plans to opt out; and

18 (3) A system in which the State's role is limited to
19 governance of a system that is highly regulated and
20 reliant on private markets or an insurance fund, or an
21 employer mandate, such as the State's TDI Program; and
22

23 WHEREAS, the following table shows the resources necessary 24 to implement each model:

	State System Funded Exclusively by State	State System with Opt-Out for Private Plans	Highly Regulated Private Market, Insurance Fund, or Employer Mandate
Start-up Cost	\$1,100,000	\$1,100,000	\$660,000
	\$1,100,000	\$1,100,000	\$880,000
On-Going		h	
Support Cost	\$2,623,669	\$2,618,078	\$1,102,875
Support			
Staffing	22.5 positions	22 positions	7.5 positions

and

25 WHEREAS, the study further reported that regardless of 26 which paid family leave model is adopted, there are pertinent 27 policy aspects that will need to be determined, such as the

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benefit amount and wage replacement ratio; length of leave, 1 including maximum weeks of leave for bonding and family 2 caregiving; employer and employee eligibility; covered family 3 4 relationships; whether to provide job protection; and more; now, 5 therefore, 6 BE IT RESOLVED by the House of Representatives of the 7 Thirty-first Legislature of the State of Hawaii, Regular Session 8 9 of 2021, the Senate concurring, that the Director of Labor and Industrial Relations is requested to convene a task force to 10 study, design, and develop a Paid Family Leave Pilot Program 11 12 covering the employers and employees in the County of Kauai, to be implemented by the Department of Labor and Industrial 13 Relations as a trial program that could eventually be expanded 14 to cover all public and private sector workers in the State; and 15 16 BE IT FURTHER RESOLVED that the Paid Family Leave Pilot 17 Program shall be modeled after, and similar to, the paid leave 18 program established under the Hawaii TDI Law, chapter 392, 19 20 Hawaii Revised Statutes; and 21 BE IT FURTHER RESOLVED that the task force is requested to 22 23 include the following members: 24 The Director of Labor and Industrial Relations or the 25 (1)Director's designee, who is requested to serve as the 26 chairperson of the task force; 27 28 The Director of Human Resources Development or the 29 (2) Director's designee; 30 31 32 (3) The Director of Finance or the Director's designee; 33 34 (4) The Attorney General or the Attorney General's designee; 35 36 (5) The Mayor of the County of Kauai or the Mayor's 37 designee; 38 39 (6) Two representatives from public sector labor 40 organizations in Hawaii, one to be appointed by the 41 President of the Senate and one to be appointed by the 42 Speaker of the House of Representatives; 43 44

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1 2 3	(7)	Two representatives from private sector labor organizations in Hawaii, one to be appointed by the President of the Senate and one to be appointed by the					
4 5		Speaker of the House of Representatives;					
6 7 8	(8)	Two representatives from the insurance companies authorized to write TDI policies in Hawaii to be appointed by the Governor;					
9 10 11 12 13	(9)	Two representatives of business organizations in Hawaii, one to be appointed by the President of the Senate and one to be appointed by the Speaker of the House of Representatives; and					
14 15 16 17 18 19 20	(10)	Two representatives of small business organizations in Hawaii, one to be appointed by the President of the Senate and one to be appointed by the Speaker of the House of Representatives; provided that one of the two shall be a resident of the County of Kauai; and					
20 21 22 23 24	BE IT FURTHER RESOLVED that the task force is requested to commence its work upon the appointment of a simple majority of its members; and						
25 26 27 28 29	BE IT FURTHER RESOLVED that the task force is requested to submit a report describing the progress made by the task force and its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2022; and						
30 31 32	BE I	I FURTHER RESOLVED that the report include:					
32 33 34 35 36	(1)	Recommendations for the basic structure of the Paid Family Leave Pilot Program, including but not limited to:					
37 38 39 40		<ul> <li>(A) Eligibility criteria for employees, such as a minimum amount of time worked or earnings achieved;</li> </ul>					
40 41 42		(B) Benefit amounts and wage replacement ratio;					
43 44		(C) Length of leave, including maximum weeks of leave, for bonding and family caregiving;					
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1			Qualifying overta.		
2 3		(D)	Qualifying events;		
4		(E)	Covered family relationships;		
5 6 7		(F)	Whether to provide job protection;		
7 8 9		(G)	Interaction with the State's TDI Program;		
9 10 11		(H)	The administrative structure;		
11 12 13		(I)	Claims management; and		
13 14 15		(J)	Duration of the Paid Family Leave Pilot Program; and		
16 17 18	(2)	Impacts and estimated costs of establishing and implementing the Paid Family Leave Pilot Program,			
19 20 21		including the fiscal and administrative impacts on the State and the impacts on public sector collective bargaining and civil service laws; and			
22 23 24 25	(3)	Opportunities and challenges of expanding the Paid Family Leave Pilot Program to the State's entire workforce; and			
26 27 28 29	BE IT FURTHER RESOLVED that the task force be dissolve June 30, 2022; and				
30 31 32 33 34	BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor, Director of Labor and Industrial Relations, Director of Human Resources Development, Director of Finance, Attorney General, and Mayor of the County of Kauai.				

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