
A BILL FOR AN ACT

RELATING TO FAMILY LEAVE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii's working
2 families are not adequately supported during times of caregiving
3 and illness. While the Federal Family and Medical Leave Act of
4 1993 allows twelve weeks of unpaid leave to employees who have
5 worked at a business that employs fifty or more employees, the
6 majority of Hawaii's workforce cannot afford to take unpaid
7 leave to care for a child or an elderly family member with a
8 serious health condition. Hawaii law offers only a modest four-
9 week extension of unpaid leave and this applies only to Hawaii's
10 few large employers with more than one hundred employees.

11 The legislature further finds that only eleven per cent of
12 workers in the United States have access to paid family leave
13 through their employers. Women, as primary caregivers of
14 infants, children, and elderly parents, are affected
15 disproportionately by the unavailability of paid family and
16 medical leave. In Hawaii, 247,000 people serve as family
17 caregivers. Hawaii has the fastest growing population of



1 individuals over the age of sixty-five in the nation, and that
 2 number is expected to grow by eighty-one per cent by the year
 3 2030. Of those who would benefit from paid family leave, nearly
 4 one-third would take those leave benefits to care for an ill
 5 spouse or elderly parent. In short, most workers, at some
 6 point, will need to take time off to care for an ill family
 7 member, but very few can afford it.

8 The purpose of this Act is to establish paid family leave
 9 and lay the groundwork to implement a paid family leave
 10 framework of laws and policies so that all employees can access
 11 leave benefits during times when they need to provide care for a
 12 family member.

13 SECTION 2. Chapter 346, Hawaii Revised Statutes, is
 14 amended by adding two new sections to part I to be appropriately
 15 designated and to read as follows:

16 "§346- Paid family leave special fund. (a) There is
 17 established a paid family leave special fund into which shall be
 18 deposited the following moneys:

- 19 (1) Appropriations by the legislature to the special fund;
- 20 (2) Gifts, donations, and grants from public agencies and
- 21 private persons; and



1 (3) Moneys contributed by employers and employees as a
2 condition of paid family leave implementation as
3 established by the paid family leave implementation
4 board.

5 All interest earned or accrued on moneys deposited into the fund
6 shall become part of the fund. The fund shall be administered
7 by the department; provided that the department may contract
8 with a public or private agency for the day-to-day management of
9 the fund.

10 (b) Subject to legislative authorization, the department
11 may expend moneys from the fund:

12 (1) For permanent and temporary staff positions; and

13 (2) To cover administrative and operational costs of
14 implementing any legislative requirement to establish
15 paid family leave for all workers in the State.

16 (c) Moneys deposited into the fund and interest earned
17 thereon shall not revert to the general fund.

18 §346- Paid family leave supplementation special fund.

19 (a) There is established a paid family leave supplementation
20 special fund into which shall be deposited the following moneys:



1 (1) Appropriations by the legislature to the special fund;
2 and

3 (2) Fines collected by the department.

4 (b) Subject to legislative authorization, the department
5 may expend moneys from the fund to provide small business
6 assistance grants to employers with fifty or fewer employees to
7 offset wage costs while employees are on paid family leave and
8 to be claimed as a subsidy grant that shall not exceed \$
9 per employee.

10 (c) Moneys deposited into the fund and interest earned
11 thereon shall not revert to the general fund."

12 SECTION 3. (a) By January 1, 2020, the department of
13 human services shall adopt rules, which shall be exempt from
14 chapter 91, Hawaii Revised Statutes, that establish and codify
15 paid family leave for all workers in the State.

16 (b) Rules adopted shall, at a minimum, establish a paid
17 family leave program that includes:

18 (1) A minimum of weeks paid leave;

19 (2) Coverage for all employees of employers who employ one
20 or more employees;



1 (3) A system of progressive wage replacement to allow low-
2 income workers to receive a higher percentage of their
3 weekly earnings than average high-wage workers; and

4 (4) Job protections to ensure use of paid family leave
5 does not adversely impact employment.

6 (c) The paid family leave program shall begin to collect
7 payments no later than July 1, 2021, and begin processing
8 payments no later than July 1, 2022.

9 (d) The department may adopt interim rules, which shall be
10 exempt from chapter 91, Hawaii Revised Statutes, to effectuate
11 the purposes of this Act; provided that the interim rules shall
12 remain in effect until January 1, 2022, or until rules are
13 adopted pursuant to subsection (a), whichever occurs sooner.

14 SECTION 4. (a) There is established a paid family leave
15 implementation board within the department of human services for
16 administrative purposes only to assist the department in
17 establishing paid family leave for all workers in the State,
18 pursuant to this Act.

19 (b) The paid family leave implementation board shall
20 comprise the following individuals or their designees:



- 1 (1) The governor's administrative director, who shall
2 serve as chairperson; provided that if an
3 administrative director is not appointed, then the
4 governor's chief of staff shall serve as chairperson;
- 5 (2) The director of labor and industrial relations;
- 6 (3) The director of human resources development, who shall
7 be a non-voting member;
- 8 (4) The comptroller, who shall be a non-voting member;
- 9 (5) The chairperson of the senate committee on labor or a
10 successor committee with jurisdiction over labor, who
11 shall be a non-voting member;
- 12 (6) The chairperson of the house of representatives
13 committee on labor and public employment or a
14 successor committee with jurisdiction over labor, who
15 shall be a non-voting member; and
- 16 (7) One member of the accounting or tax industry, to be
17 appointed by the speaker of the house of
18 representatives.
- 19 (c) The following persons shall be appointed as additional
20 members of the board:



- 1 (1) One representative of a business employing one hundred
2 or more employees, to be appointed by the governor;
- 3 (2) One representative of a business employing between
4 fifty-one and ninety-nine employees, to be appointed
5 by the speaker of the house of representatives;
- 6 (3) One representative of a business employing fifty or
7 fewer employees, to be appointed by the president of
8 the senate;
- 9 (4) One representative of the insurance industry, to be
10 appointed by the president of the senate;
- 11 (5) One representative of the medical or public health
12 community, to be appointed by the speaker of the house
13 of representatives;
- 14 (6) One representative of a labor union in the State, to
15 be appointed by the president of the senate;
- 16 (7) One representative of a labor union in the State, to
17 be appointed by the speaker of the house of
18 representatives;
- 19 (8) One member representing paid family leave advocates,
20 to be appointed by the president of the senate;



1 (9) One member representing paid family leave advocates,
2 to be appointed by the Hawaii state commission on the
3 status of women;

4 (10) One member representing paid family leave advocates,
5 to be appointed by the speaker of the house of
6 representatives; and

7 (11) One member representing the human resources
8 profession, to be appointed by the director of human
9 services.

10 (d) The paid family leave implementation board shall
11 develop an analysis, choose a paid family leave model, and
12 develop an implementation plan for providing workers with family
13 leave insurance benefits during times when a worker is required
14 to take leave to care for a family member.

15 (e) The paid family leave implementation board shall give
16 preference to paid family leave models that prioritize the
17 following:

- 18 (1) Coverage of all workers;
- 19 (2) Gender equity;
- 20 (3) Ease of application or claims;
- 21 (4) Speed of benefit payment;



- 1 (5) Sustainability;
- 2 (6) Administration;
- 3 (7) Data collecting capabilities; and
- 4 (8) Compliance monitoring abilities.

5 (f) All executive branch departments and agencies shall
6 enter into and participate in data-sharing agreements for the
7 purposes of this Act, to commence no later than twenty days
8 prior to the convening of the regular session of 2019.

9 (g) The legislative reference bureau shall conduct an
10 analysis prior to 2019 that includes:

- 11 (1) A comparative analysis of potential paid family leave
12 models to cover all workers, including social
13 insurance and temporary disability insurance
14 expansion, that includes a breakdown of the costs for
15 implementing and sustaining each model;
- 16 (2) Models that consider progressive wage replacement and
17 job protection;
- 18 (3) A multi-year budget for establishing a paid family
19 leave insurance program;
- 20 (4) A timeline for implementing paid family leave,
21 including benchmarks and deliverables;



- 1 (5) A review of other state paid leave models, including a
2 review of current temporary disability insurance usage
3 and other state temporary disability insurance models;
- 4 (6) Findings and other recommendations, including
5 recommendations for ongoing regulation and additional
6 funding resources; and
- 7 (7) An actuarial analysis.
- 8 (h) No later than twenty days prior to the convening of
9 the regular session of 2019, the paid family leave
10 implementation board shall submit a report to the legislature
11 that includes:
- 12 (1) A comparative analysis of potential paid family leave
13 models to cover all workers, including social
14 insurance and temporary disability insurance
15 expansion, that includes a breakdown of the costs for
16 implementing and sustaining each model;
- 17 (2) Models that consider progressive wage replacement and
18 job protection;
- 19 (3) A multi-year budget for establishing a paid family
20 leave insurance program;



- 1 (4) A timeline for implementing paid family leave,
2 including benchmarks and deliverables;
- 3 (5) A review of other state paid leave models, including a
4 review of current temporary disability insurance usage
5 and other state temporary disability insurance models;
- 6 (6) A schedule for ongoing audits;
- 7 (7) Findings and other recommendations, including
8 recommendations for ongoing regulation and additional
9 funding resources; and
- 10 (8) Proposed legislation, if any.
- 11 (i) No later than twenty days prior to the regular
12 sessions of 2020, 2021, 2022, 2023, and 2024, the paid family
13 leave implementation board shall submit a report to the
14 legislature that includes:
- 15 (1) Updates to the analysis and implementation plan, as
16 necessary;
- 17 (2) The progress of the department of human services in
18 meeting its obligation required by this Act;
- 19 (3) Additional findings and recommendations, if any; and
20 (4) Proposed legislation, if any.



1 (j) The paid family leave implementation board shall cease
2 to exist on January 1, 2024.

3 SECTION 5. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so much
5 thereof as may be necessary for fiscal year 2018-2019 for the
6 legislative reference bureau to conduct its analysis pursuant to
7 section 4 of this Act.

8 The sum appropriated shall be expended by the legislative
9 reference bureau for the purposes of this Act.

10 SECTION 6. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so much
12 thereof as may be necessary for fiscal year 2018-2019 to be
13 deposited into the paid family leave special fund.

14 SECTION 7. There is appropriated out of the paid family
15 leave special fund the sum of \$ or so much thereof as
16 may be necessary for fiscal year 2018-2019 to fund one full-time
17 equivalent (1.0 FTE) program manager to support the paid family
18 leave implementation board, the expenses of the implementation
19 board, and the expenses of the department of human services in
20 establishing paid family leave for all workers by January 1,
21 2020.



1 The sum appropriated shall be expended by the department of
2 human services for the purposes of this Act.

3 SECTION 8. The legislative reference bureau may contract
4 the services of a consultant with the funds appropriated in
5 section 5 of this Act. The department of human services may
6 contract the services of a consultant with the funds
7 appropriated in section 7 of this Act. The contracting of
8 services under this Act shall be exempt from chapter 103D,
9 Hawaii Revised Statutes.

10 SECTION 9. New statutory material is underscored.

11 SECTION 10. This Act shall take effect on July 1, 2050;
12 provided that sections 5, 6, and 7 shall take effect on July 1,
13 2050.



Report Title:

Paid Family Leave; Department of Human Services; Insurance;
Board; Report; Appropriation

Description:

Establishes the Paid Family Leave Implementation Board to assist the Department of Human Services in establishing paid family leave for all workers in the State. Authorizes DHS to adopt rules, including interim rules by January 1, 2020. Repeals the Board on January 1, 2024. Establishes a Paid Family Leave Special Fund and a Paid Family Leave Supplementation Special Fund. Appropriates funds. (SB2990 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

