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# 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 398, Hawaii Revised Statutes, is  
 14 amended by adding a new section to part I to be appropriately  
 15 designated and to read as follows:

16 "§398- 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 in 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 to provide the day-to-day  
9 management of 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       SECTION 3. (a) By January 1, 2020, the department of  
19 labor and industrial relations shall adopt rules, which shall be  
20 exempt from chapter 91, Hawaii Revised Statutes, that establish  
21 and codify paid family leave for all workers in the State.



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

3 (1) A minimum of weeks paid leave;

4 (2) Coverage for all employees who employ one or more  
5 employees;

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

9 (4) Job protections to ensure usage of paid family leave  
10 does not adversely impact employment.

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

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

19 SECTION 4. (a) There is established a paid family leave  
20 implementation board within the department of labor and  
21 industrial relations for administrative purposes only to assist



1 the department in establishing paid family leave for all workers  
2 in the State, pursuant to this Act.

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

5 (1) The governor's chief of staff, who shall serve as  
6 chairperson;

7 (2) The director of labor and industrial relations;

8 (3) The director of human resources development, who shall  
9 serve as an ex officio member;

10 (4) The comptroller, who shall serve as an ex officio  
11 member;

12 (5) The insurance commissioner;

13 (6) The chairperson of the senate committee on labor, or a  
14 successor committee with jurisdiction over labor; and

15 (7) The chairperson of the house of representatives  
16 committee on labor and public employment, or a  
17 successor committee with jurisdiction over labor.

18 (c) The following persons shall be appointed as members of  
19 the board:

20 (1) One representative of a business employing one hundred  
21 or more employees, to be appointed by the governor;



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



1 (10) One member representing paid family leave advocates,  
2 to be appointed by the speaker of the house of  
3 representatives; and

4 (11) One member representing the human resources  
5 profession, to be appointed by the director of labor  
6 and industrial relations.

7 (d) The paid family leave implementation board shall  
8 develop an analysis and implementation plan for providing  
9 workers with family leave insurance benefits during times when a  
10 worker is required to take leave to care for a family member.

11 (e) All executive branch departments and agencies shall  
12 participate and engage in data-sharing agreements for the  
13 purposes of this Act to commence no later than twenty days prior  
14 to the convening of the regular session of 2019.

15 (f) The legislative reference bureau shall conduct an  
16 analysis prior to 2019 that includes:

17 (1) A comparative analysis of potential paid family leave  
18 models to cover all workers, including but not limited  
19 to social insurance and temporary disability insurance  
20 expansion, and including a breakdown of the costs for  
21 implementing and sustaining each model;



- 1           (2) Models that shall consider progressive wage
- 2                 replacement and job protection;
- 3           (3) A multi-year budget for establishing a paid family
- 4                 leave insurance program;
- 5           (4) A timeline for implementing paid family leave,
- 6                 including benchmarks and deliverables;
- 7           (5) Review of other state paid leave models, including
- 8                 review of current temporary disability insurance usage
- 9                 and other state temporary disability insurance models;
- 10          (6) Findings and other recommendations, including
- 11                 recommendations for ongoing regulation and additional
- 12                 funding resources; and
- 13          (7) An actuarial analysis.
- 14          (g) No later than twenty days prior to the regular session
- 15 of 2019, the paid family leave implementation board shall submit
- 16 a report to the legislature that includes:
- 17          (1) A comparative analysis of potential paid family leave
- 18                 models to cover all workers, including but not limited
- 19                 to social insurance and temporary disability insurance
- 20                 expansion, and including a breakdown of the costs for
- 21                 implementing and sustaining each model;





- 1           (2) Models that shall consider progressive wage
- 2                 replacement and job protection;
- 3           (3) A multi-year budget for establishing a paid family
- 4                 leave insurance program;
- 5           (4) A timeline for implementing paid family leave,
- 6                 including benchmarks and deliverables;
- 7           (5) Review of other state paid leave models, including
- 8                 review of current temporary disability insurance usage
- 9                 and other state temporary disability insurance models;
- 10          (6) A schedule for ongoing audits;
- 11          (7) Findings and other recommendations, including
- 12                 recommendations for ongoing regulation and additional
- 13                 funding resources; and
- 14          (8) Proposed legislation, if any.
- 15          (h) No later than twenty days prior to the regular
- 16 sessions of 2020, 2021, 2022, 2023, and 2024 the paid family
- 17 leave implementation board shall submit a report to the
- 18 legislature that includes:
- 19           (1) Updates to the analysis and implementation plan, as
- 20                 necessary;



1 (2) The progress of the department of labor and industrial  
2 relations in meeting its obligation required by this  
3 Act;

4 (3) Additional findings and recommendations, if any; and

5 (4) Proposed legislation, if any.

6 (i) The board shall cease to exist on January 1, 2024.

7 SECTION 5. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$250,000 or so much  
9 thereof as may be necessary for fiscal year 2018-2019 for the  
10 legislative reference bureau to conduct its analysis pursuant to  
11 section 4 of this Act.

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

14 SECTION 6. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$1,500,000 or so much  
16 thereof as may be necessary for fiscal year 2018-2019 to be  
17 deposited into the paid family leave special fund.

18 SECTION 7. There is appropriated out of the paid family  
19 leave special fund the sum of \$1,500,000 or so much thereof as  
20 may be necessary for fiscal year 2018-2019 to fund one full-time  
21 equivalent (1.0 FTE) program manager to support the paid family



1 leave implementation board, the expenses of the implementation  
2 board, and the expenses of the department of labor and  
3 industrial relations in establishing paid family leave for all  
4 workers by January 1, 2020.

5 The sum appropriated shall be expended by the department of  
6 labor and industrial relations for the purposes of this Act.

7 SECTION 8. The legislative reference bureau may contract  
8 the services of a consultant with the funds appropriated in  
9 section 5 of this Act. The department of labor and industrial  
10 relations may contract the services of a consultant with the  
11 funds appropriated in section 7 of this Act. The contracting of  
12 services under this Act shall be exempt from chapter 103D,  
13 Hawaii Revised Statutes.

14 SECTION 9. New statutory material is underscored.

15 SECTION 10. This Act shall take effect upon its approval;  
16 provided that sections 5, 6, and 7 shall take effect on July 1,  
17 2018.

18



S.B. NO. 2990  
S.D. 1

**Report Title:**

Paid Family Leave; DLIR; Insurance; Board; Report; Appropriation

**Description:**

Requires the Department of Labor and Industrial Relations to adopt rules by 1/1/2020 that establish paid family leave for all workers. Authorizes the department to adopt interim rules. Establishes the paid family leave implementation board to assist the department and report to the Legislature. Establishes a paid family leave special fund. Appropriates funds. (SD1)

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

