

Honolulu, Hawaii

March 2, 2018

RE: H.B. No. 2598
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2598, H.D. 1, entitled:

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

begs leave to report as follows:

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

Among other things, this measure:

- (1) Establishes a Paid Family Leave Implementation Board (Board) within the Department of Labor and Industrial Relations (DLIR) to assist in establishing paid family leave for all workers in the State;
- (2) Establishes the Paid Family Leave Special Fund (Special Fund) to support expenditures for staff and other administrative and operational costs of establishing paid family leave;
- (3) Provides that the Paid Family Leave Program is to begin collecting payments from employers and employees by July 1, 2021, and processing payments by July 1, 2022;



- (4) Allows DLIR to adopt interim rules to carry out the purposes of this measure and specifies that the interim rules are to remain in effect until July 1, 2022, or until rules are adopted, whichever occurs sooner;
- (5) Requires DLIR to adopt rules by January 1, 2020, that establish and codify paid family leave for all workers in the State;
- (6) Requires the Legislative Reference Bureau (LRB) to conduct a study, including an actuarial analysis, of specified items to be included in the Board's report to the Legislature; and
- (7) Appropriates \$1,750,000 for fiscal year 2018-2019 from the general fund to the Special Fund, of which \$1,500,000 is appropriated for one full-time program manager to support the Board, and for the Board's and DLIR's expenses in establishing paid family leave, and \$250,000 is appropriated for LRB to conduct the study, including an actuarial analysis.

The Office of the Governor; Hawai'i Alliance for Progressive Action; Hawaii Women's Coalition; Hawaii Appleseed Center for Law & Economic Justice; YWCA O'ahu; PHOCUSED; Caring Across Generations; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO; Mental Health America of Hawai'i; Planned Parenthood Votes Northwest and Hawaii; Hawai'i Section of the American College of Obstetricians and Gynecologists; Hawai'i State Democratic Women's Caucus; Breastfeeding Hawaii; Hawaii State AFL-CIO; Labor Caucus of the Democratic Party of Hawai'i; YWCA O'ahu Advocacy Committee; American Association of University Women, Hawaii; Hawai'i Women Lawyers; Hawaii MomsRising; and numerous individuals supported this measure. Moloka'i Chamber of Commerce; The Chamber of Commerce Hawaii; The Patissierie Inc.; Kalapawai Market & Cafes; Friendly Isle Auto Parts; Ulu Development; Molokai Drug, Inc.; Retail Merchants of Hawaii; Society for Human Resource Management - Hawaii Chapter; Maui Chamber of Commerce; and an individual opposed this measure. DLIR, Department of Human Services, Department of Budget and Finance, Hawaii State Teachers Association, Hawaii Food Industry



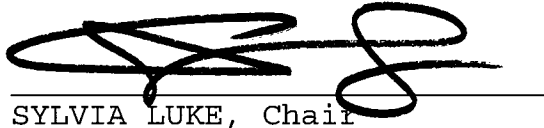
Association, Healthy Mothers Healthy Babies Coalition of Hawaii, Hawaii Children's Action Network, IMUAlliance, International Longshore and Warehouse Union Local 142, Pono Hawai'i Initiative, and General Contractors Association of Hawaii provided comments on this measure.

Your Committee has amended this measure by:

- (1) Making the appropriations unspecified amounts;
- (2) Making a technical, nonsubstantive amendment for clarity and consistency; and
- (3) Changing its effective date to July 1, 2030.

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

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



SYLVIA LUKE, Chair



State of Hawaii
House of Representatives **HSCR 1060-18**
The Twenty-ninth Legislature

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 2598, HD1	Committee Referral: LAB, FIN	Date: 2/22/2018		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	✓			
2. CULLEN, Ty J.K. (VC)	✓			
3. CACHOLA, Romy M.	✓			
4. DeCOITE, Lynn	✓			
5. FUKUMOTO, Beth	✓			
6. GATES, Cedric Asuega	✓			
7. HOLT, Daniel	✓			
8. KEOHOKALOOLE, Jarrett				✓
9. KOBAYASHI, Bertrand	✓			
10. LOWEN, Nicole E.	✓			
11. NAKAMURA, Nadine K.	✓			
12. TODD, Chris	✓			
13. YAMASHITA, Kyle T.	✓			
14. TUPOLA, Andria P.L.				✓
15. WARD, Gene	✓			
TOTAL (15)	13	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="margin-left: 150px;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u></u>				
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