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SENATE CONCURRENT RESOLUTION

REQUESTING THE DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS TO CONVENE A TASK FORCE ON PAID FAMILY LEAVE.

WHEREAS, most workers, at some point in life, will need to take time off from work to care for an ill family member; and

WHEREAS, under the federal Family and Medical Leave Act of 1993, as amended (FMLA), certain employees who work for employers with fifty or more employees are eligible for up to twelve weeks of unpaid job-protected leave for qualifying reasons such as a serious health condition of the employee that makes the employee unable to perform the functions of the employee's job; to care for the employee's spouse, son, daughter, or parent with a serious health condition; qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a military member on covered active duty; the birth of a child and to bond with the newborn child; and placement with the employee of a child for adoption or foster care and to bond with the newly placed child; and

WHEREAS, under chapter 398, Hawaii Revised Statutes, Hawaii's family leave law, certain employees who work for employers with one hundred or more employees are eligible for up to four weeks of unpaid job-protected leave for qualifying reasons such as the birth of a child of the employee or the adoption of a child; and to care for the employee's child, spouse, reciprocal beneficiary, sibling, grandchild, or parent with a serious health condition; and

WHEREAS, the family leave provided under the FMLA and Hawaii's family leave law is unpaid, and as of March 2018, only seventeen percent of workers in the United States had access to paid family leave through their employers; and

WHEREAS, ALICE (Asset Limited, Income Constrained, Employed) in Hawai'i: A Financial Hardship Study, published by the Aloha United Way in 2020, reports that despite the steady economic improvements in Hawaii from 2010 to 2018, during which the gross domestic product grew, unemployment rate fell to historic lows, and wages rose, almost half of the families in Hawaii were struggling to make ends meet in 2018; and

WHEREAS, with such financial constraints, a majority of Hawaii's workforce cannot afford to take unpaid leave for family caregiving purposes, such as to care for a family member with a serious health condition or to bond with a new child; and

WHEREAS, the AARP Public Policy Institute reported in November 2019 that as of 2017, there were approximately 157,000 unpaid family caregivers in Hawaii, and while the majority of family caregivers are women, there is a growing trend for men, especially adult sons, to take on family caregiving tasks for the health and functional needs of their aging parents, other older relatives, or close friends, and forty-four percent of all male family caregivers report moderate to high financial strain as a result of caregiving; and

WHEREAS, the need for leave to care for elderly family members in Hawaii is expected to increase, as the Department of Business, Economic Development, and Tourism projected in June 2018, that the percentage of residents aged sixty-five years and older, which constituted 14.5 percent of the State's population in 2010, was expected to rise to 19.1 percent in 2020, and to increase further to 22.6 percent in 2030; and

WHEREAS, as of January 2021, nine states — California, Colorado, Connecticut, Massachusetts, New Jersey, New York, Oregon, Rhode Island, and Washington — and the District of Columbia have enacted paid family and medical leave laws; and

WHEREAS, section 7602(c) of the Federal Employee Paid Leave Act, as provided in the National Defense Authorization Act for Fiscal Year 2020 (P.L. 116-92), amended portions of the FMLA to allow certain covered federal civilian employees up to twelve weeks of paid parental leave in connection with the birth

of a child or placement of a child for adoption or foster care occurring on or after October 1, 2020; and

WHEREAS, in Act 109, Session Laws of Hawaii 2018, the Legislature, as groundwork to establish a paid family leave framework to allow all employees in Hawaii access to leave benefits during times when leave is needed for family caregiving purposes, required the Legislative Reference Bureau to analyze the impacts of establishing a paid family leave program on industry, consumers, employees, employers, and caregivers that would enable the Legislature to choose a model or framework that will work best for Hawaii's workforce; and

WHEREAS, in December 2019, the Legislative Reference Bureau issued its Paid Family Leave Program Impact Study, which projected the costs and staffing required to establish and maintain a paid family leave system in Hawaii under three social insurance models that differ in the role the State plays — (1) a system funded exclusively by the State, such as a state-administered insurance fund; (2) a system that allows private plans to opt out; and (3) a system in which the State's role is limited to governance of a system that is highly regulated and reliant on private markets or an insurance fund, or an employer mandate, such as the State's Temporary Disability Insurance (TDI) program — as follows:

	State	State	Highly
	System	System with	Regulated
	Funded	Opt-Out for	Private Market,
	Exclusively	Private	Insurance Fund,
	by State	Plans	or Employer
			Mandate
Start-up			
Cost	\$1,100,000	\$1,100,000	\$660,000
On-Going			
Support Cost	\$2,624,000	\$2,618,000	\$1,103,000
Support			
Staffing	22.5 people	22 people	7.5 people

|; and

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

benefit amount and wage replacement ratio; length of leave (including maximum weeks) for bonding and family caregiving; employer eligibility, such as public employers, employer size, and self-employed; employee eligibility, such as minimum time worked or minimum earnings achieved; qualifying events; covered family relationships; whether to provide job protection; interaction with the State's TDI program; funding; administrative structure; and claims management; now, therefore,

BE IT RESOLVED by the Senate of the Thirty-first Legislature of the State of Hawaii, Regular Session of 2021, the House of Representatives concurring, that the Director of Labor and Industrial Relations is requested to convene a task force to study, design, and develop a paid family leave pilot program with coverage limited to certain employers and employees to be established and implemented by the Department of Labor and Industrial Relations as a trial program that could eventually be expanded to cover all public and private sector workers in the State; and

BE IT FURTHER RESOLVED that the task force is requested to develop its own goals and objectives for the paid family leave pilot program; and

(1) The Director of Labor and Industrial Relations or the Director's designee;

(2) The Director of Human Resources Development or the Director's designee;

(3) The Director of Finance or the Director's designee;

(4) The Attorney General or the Attorney General's designee;

(5) The Mayor of the County of Hawaii or the Mayor's designee;

1 2 3	(6)	The Mayor of the County of Maui or the Mayor's designee;
4 5	(7)	The Mayor of the City and County of Honolulu or the Mayor's designee;
6 7 8	(8)	The Mayor of the County of Kauai or the Mayor's designee;
9 10 11 12 13	(9)	One representative from a children's advocacy organization in Hawaii to be appointed by the Speaker of the House of Representatives;
14 15 16	(10)	One representative from a women's advocacy organization in Hawaii to be appointed by the President of the Senate;
18 19 20 21 22	(11)	Two representatives from public sector labor 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;
23 24 25 26	(12)	One representative from a private sector labor organization in Hawaii to be appointed by the Governor;
27 28 29	(13)	One representative from the Hawaii insurance industry to be appointed by the Governor;
30 31 32	(14)	One representative from a business organization in Hawaii to be appointed by the President of the Senate;
33 34 35 36	(15)	One representative from a small business organization in Hawaii to be appointed by the Speaker of the House of Representatives; and
37 38 39	(16)	One representative from an employer organization to be appointed by the Governor; and
40 41 42		T FURTHER RESOLVED that the task force may invite l organizations or agencies to participate in the task

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BE IT FURTHER RESOLVED that the task force is requested to submit a report describing the progress made by the task force, 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 2023; and

BE IT FURTHER RESOLVED that the report submitted by the task force to the Legislature is requested to include:

- (1) Data on the amount of leave generally taken or if there is no such data, the amount of leave deemed generally necessary by health care providers for qualifying reasons that are not based on the serious health condition of the employee or the employee's family members, such as the amount of leave taken for the birth of a child or placement of a child for adoption or foster care under the FMLA and HFLL and leave taken to bond with a newly born or newly placed child under the FMLA;
- (2) Identification of issues related to the establishment and implementation of the pilot program;
- (3) Recommendations for the basic structure of the pilot program, including but not limited to coverage of employers based on industry sectors and geographic regions (counties); eligibility criteria for employees, such as minimum time worked or earnings achieved; benefit amount and wage replacement ratio; length of leave (including maximum weeks) for bonding and family caregiving; qualifying events; covered family relationships; whether to provide job protection; interaction with the State's TDI program; administrative structure; and claims management; and
- (4) Impacts and estimated costs of establishing and implementing the pilot program, including but not limited to the fiscal and administrative impacts on the State and the impacts on public sector collective bargaining and civil service law; and

BE IT FURTHER RESOLVED that the task force be dissolved on January 31, 2023; and

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, Mayor of the County of Hawaii, Mayor of the County of Maui, Mayor of the City and County of Honolulu, and Mayor of the County of Kauai.