

SENATE BILL REPORT

SB 5091

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, January 20, 2011

Title: An act relating to delaying the implementation of the family leave insurance program.

Brief Description: Delaying the implementation of the family leave insurance program.

Sponsors: Senators Keiser and Shin; by request of Office of Financial Management.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 1/18/11, 1/20/11 [DPS, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: That Substitute Senate Bill No. 5091 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Conway, Vice Chair; Keiser and Kline.

Minority Report: Do not pass.

Signed by Senators Holmquist Newbry, Ranking Minority Member; King, Assistant Ranking Minority Member; Hewitt.

Staff: Ingrid Mungia (786-7423)

Background: In 2007 the Legislature enacted Engrossed Second Substitute Senate Bill 5659, and established a framework for a family leave insurance program. The framework specified that benefit payments and reporting requirements be implemented beginning on certain dates.

Beginning on October 1, 2012, benefits of \$250 per week for up to five weeks are payable to individuals who are unable to perform their regular or customary work because they are on family leave.

Beginning on September 1, 2013, and annually thereafter, reports on program participation, premium rates, fund balances, and outreach efforts must be submitted to the Legislature.

Summary of Bill (Recommended Substitute): Family leave insurance benefits are payable when the Director of the Office of Financial Management (OFM) determines that monies are

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deposited and available in the Family Leave Account. Authority for the Director of Labor & Industries to lend funds from the Supplemental Pension Fund to the Family Leave Insurance Account is extended from July 1, 2009, to July 1, 2014. Annual reports must be submitted to the Legislature beginning September 1, 2014 (instead of September 1, 2013).

EFFECT OF CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Substitute): Retains the language in statute regarding an individual being eligible for family leave insurance benefits if, among other requirements, they have been employed for at least 680 hours during the individual's qualifying year.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: This program is written as an entitlement program and that needs to be addressed. At the point that the state has funds to provide benefits, then it will be addressed and benefits will be paid. In general this is what had to be done to many bills this year by OFM. We do the minimal amount that we need to do under current law. This is not an endorsement of the program. This bill is important to the state's future and we need to be prepared to implement this program when funds are available. We want to move this program forward as soon as possible. We know these programs work and are very valuable. This is not a good year to move forward without a good funding source. We recognize the budget realities and support delaying implementations.

CON: The business community wants the program repealed. The extension of the program and the way the bill is drafted makes the program indefinite. There is uncertainty now around the program. We don't like the linkage to the Workers Compensation Supplemental Fund. The fund is designed to pay workers compensation benefits, not family leave. This bill creates huge problems for the business community. We need consistency and need to know the expenditures in the future. The linkage needs to go away because premiums are going up. We would like section 2 dealing with the Supplemental Pension Fund removed. This program is a regulatory burden on farmers and ranchers. The business community is united in its opposition to an entitlement program. This is an indefinite delay and adds to the burden on small businesses. Small businesses need a change to recover.

OTHER: We worked hard to get this program in place. We need to minimize the delay as much as we can. We need to think about the children.

Persons Testifying: PRO: Julie Murray, OFM; Marilyn Watkins, Economic Opportunity Institute; Rebecca Johnson, Washington State Labor Council.

CON: Kris Tefft, Association of Washington Business; Dave Kaplan, Washington Self-Insurers Association; Scott Dilley; Washington Farm Bureau; Patrick Connor, National Federation of Independent Business.

OTHER: Sharon Ness, United Food and Commercial Workers Washington State Council; Carolyn Logue, Washington Food Industry Association.