

SENATE BILL REPORT

SB 5159

As of February 15, 2013

Title: An act relating to repealing the family and medical leave insurance act.

Brief Description: Repealing the family and medical leave insurance act.

Sponsors: Senators Braun, Holmquist Newbry, Becker, Bailey, Carrell, Padden, Tom, Sheldon, Schoesler, Honeyford and Parlette.

Brief History:

Committee Activity: Commerce & Labor: 1/28/13.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Edith Rice (786-7444)

Background: In 2007 the Legislature enacted a framework for a family leave insurance program; however, implementation of the program was delayed in both 2009 and 2011. The framework provides that, beginning on October 1, 2015, benefits of up to \$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, 2016, and annually thereafter, reports on program participation, premium rates, fund balances, and outreach efforts must be submitted to the Legislature.

Summary of Bill: Laws relating to the family leave insurance program are repealed. References to the program's dedicated account in other laws are deleted.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on August 1, 2013.

Staff Summary of Public Testimony: PRO: This Act was one of good intentions but one that we never properly funded. We should stop fooling around with something we never intend to properly fund we should take it off the books and focus on things we plan to do.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Legislature has failed to find a funding source or agency to run it. The program has been delayed three times and needs to be taken off the books until the political will is here to fund it. Only three states have a paid family leave program – Washington, California, and New Jersey. This program is a significant concern to a small business owner. Small businesses need to know what their costs are going to be down the road. This program is an unknown and a huge cost that could be imposed on employer and employees. Getting rid of this program would help get rid of one of those unknowns to small businesses and enable them to hire people based on what they know. Repealing the Act has been a recommendation from the Policy Center since the Act was passed. No one wants to fund the program which is why it has been suspended so many times. The fact is that employers are already doing this. This program will cost taxpayers between \$50 to 60 million per year to pay out benefits.

CON: I have used the Family Medical Leave Act and I am thankful for the leave. Businesses need customers to survive and working families need income to patronize businesses. It should never be a matter of luck that a parent can take time to be with their sick child. It is immoral as a state that we are continuing in a situation that we don't fund this program. We should keep this concept on the books and look for funding for these types of programs. We want to have this option for the future. New moms and dads should be able to bond with newborns. Paid family leave helps children get a healthy start. This law upholds American values. This law on the books is critical to our members. Family leave is important to care for family members. Most people cannot afford to take the time off. People are willing to put away a little money each week to have a safety net. This law is very important. Family leave policy is important to build and maintain a working middle class. Political will for this program is present and needs to be expanded.

Persons Testifying: PRO: Senator Braun, prime sponsor; Kris Tefft, Assn. of WA Business; Gary Smith, Independent Business Assn.; Erin Shannon, WA Policy Center.

CON: Mark Barfield, citizen; Marilyn Watkins, Economic Opportunity Institute; Mike Elliott, UTU; Sarah Francis, Moms Rising; Emily Murphy, One America; Sharon Ness, United Food and Commercial Workers United Council; Sean O'Sullivan, Assn. of Western Pulp and Paper Workers; Rebecca Johnson, WA State Labor Council.