

SENATE BILL REPORT

ESB 5903

As Passed Senate, April 22, 2013

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

Brief Description: Concerning funding the family and medical leave insurance act.

Sponsors: Senators Braun and Holmquist Newbry.

Brief History:

Committee Activity: Ways & Means: 4/10/13, 4/11/13 [DP, DNP].
Passed Senate: 4/22/13, 27-21.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Baumgartner, Vice Chair; Honeyford, Capital Budget Chair; Bailey, Becker, Braun, Dammeier, Hewitt, Padden, Parlette, Rivers, Schoesler and Tom.

Minority Report: Do not pass.

Signed by Senators Hargrove, Ranking Member; Nelson, Assistant Ranking Member; Conway, Fraser, Hasegawa, Hatfield, Keiser, Kohl-Welles and Ranker.

Staff: Dianne Criswell (786-7433)

Background: In 2007, the Legislature enacted a framework for a family leave insurance program; however, implementation of the program was delayed, through legislation, in 2009 – delayed to October 1, 2012, and 2011 – delayed to October 1, 2015.

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Summary of Engrossed Bill: Laws relating to the family leave insurance program are repealed. References to the program's dedicated account in other laws are deleted. Implementation of the family leave insurance program is delayed. Benefits are payable beginning October 1, 2017, instead of October 1, 2015.

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.

A joint legislative taskforce on family and medical leave insurance funding is convened to make recommendations to the Legislature regarding the financing of the benefits and administrative costs of the family and medical leave insurance act. The taskforce must have eight members and include the chair and ranking members from the Senate Commerce and Labor Committee and the House Labor and Workforce Development Committee. Other members are representatives from the two largest caucuses of the Senate and the House of Representatives. The joint legislative taskforce will convene January 1, 2014, and meet monthly. Recommendations are due to the Legislature by January 1, 2015. If the family and medical leave insurance act is not funded by December 31, 2015, the act is repealed.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This program was enacted in 2007, during a period with a budget surplus, yet it was never provided funding or the statutory detail to implement the program. The program is repeatedly delayed. There should be some truth in budgeting, recognizing that this program will not go forward at the present time. Retailers are still suffering, as is the state. This bill shows fiscal responsibility. Washington has high payroll taxes. Repealing this program sends a message to independent businesses, encouraging job creation.

CON: This bill is not necessary to implement the budget. There is no obligation to fund this in the 2013-15 biennium. Funding and implementing this program will save money and bolster the economy. This program is important to all families. The poor economy prevented this program from getting off the ground. The Legislature should maintain this program for the future, rather than repealing it. The program benefits businesses, because worker productivity improves when employees are not distracted, and instead have an opportunity to care for their families and themselves. Paid family leave helps children get a healthy start. There are studies that show the benefit to children who have time to bond with their parents. California successfully implemented a family leave program. We should build a fund to allow workers to take time off for family care. This law is very important to workers, who are the backbone of the economy.

Persons Testifying: PRO: Mark Johnson, WA Retail Assn.; Kris Tefft, Assn. of WA Business; Gary Smith, Independent Business Assn.

CON: Pam Crone, Legal Voice; Marilyn Watkins, Economic Opportunity Institute; Sharon Ness, United Food and Commercial Workers United Council.