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February 1, 2010

TESTIMONY TO THE  
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT  
For Hearing on Tuesday, February 2, 2010  
9:00 a.m., Conference Room 309

BY

MARIE C. LADERTA  
DIRECTOR

**House Bill No. 1687  
Relating to Sick Leave**

**(WRITTEN TESTIMONY ONLY)**

CHAIRPERSON RHOADS AND MEMBERS OF THE COMMITTEE:

The purpose of H.B. No. 1687, is to require employers to provide paid sick leave to employees.

The Department of Human Resources Development is **strongly opposed** to this bill to the extent it applies to public sector employees.


First, for the public employers, this bill involves a matter that is subject to collective bargaining and therefore should not be legislated.

Second, this bill unnecessarily allows the use of paid sick leave to aid or care for certain family members and other designated persons. Public employees already earn paid sick and vacation leave that may be applied to Family Leave. They may substitute up to four (4) weeks of their accrued and available sick leave for family leave purposes as provided for by their respective collective bargaining unit agreements.

We recommend that this bill be held or amended to exclude "the State and all of its political subdivisions" from its definition of "employer."

Thank you for the opportunity to testify in opposition to this bill.

Respectfully submitted,

  
for MARIE C. LADERTA

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To: House Committee on Labor & Public Employment

Hearing: February 2, 2010, 9:00 a.m.  
Conference Room 309

Re: HB 1687, relating to sick leave

From: Society for Human Resource Management - Hawaii Chapter

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The Society for Human Resource Management – Hawaii Chapter (“SHRM Hawaii”) represents more than 1,300 human resource professionals in the State of Hawaii. On behalf of our members, we would like to thank the Committee for giving us an opportunity to comment on HB 1687, relating to sick leave.

We are currently opposed to HB 1687.

HB 1687 requires employers to provide paid sick leave.

SHRM Hawaii, like SHRM, the national organization of which it is an affiliate, believes that employers, not the government, are in the best position to address workplace needs and to know the benefit preferences of their employees which may include other types of leave policies. We are concerned that HB 1687 has the potential to conflict with other leave requirements and policies on the local, state and federal levels.

HR professionals have decades of experience in designing and implementing programs that work for both employers and employees. We’re eager to share this expertise with policymakers and welcome a positive dialogue on workplace flexibility policy, rather than a mandate.

Once again, thank you for this opportunity to provide you with this input.



## **Before the House Committee on Labor & Public Employment**

DATE: Tuesday, February 2, 2010

TIME: 9:00 A.M.

PLACE: Conference Room 309

### **Re: HB 1687 Relating to Sick Leave**

#### **Testimony of Melissa Pavlicek for NFIB Hawaii**

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to HB 1687, relating to sick leave.

HB 1687 requires employers to offer paid sick leave to employees.

NFIB believes government mandates take away small employers' and employees' freedom to negotiate the benefits package that best meets their mutual needs. Despite the efforts to limit the effects on small businesses, this legislation has the potential to substantially increase the costs of small businesses. We respectfully ask that you do not advance this bill.

NFIB is the nation's largest advocacy organization representing small and independent businesses in Washington, D.C. and all 50 state capitols, with more than 1,000 members in Hawaii and 600,000 members nationally. NFIB members are a diverse group consisting of high-tech manufacturers, retailers, farmers, professional service providers and many more.

We welcome the opportunity to engage with legislators on this and other issues during this session.

The Twenty-Fifth Legislature  
Regular Session of 2010

LATE

HOUS OF REPRESENTATIVES  
Committee on Labor & Public Employment  
Rep. Karl Rhoads, Chair  
Rep. Kyle T. Yamashita, Vice Chair

State Capitol, Conference Room 309  
Tuesday, February 2, 2010; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1687  
RELATING TO SICK LEAVE**

The ILWU Local 142 supports the intent of H.B. 1687, which requires employers to provide paid sick leave to employees.

The threat of communicable illnesses like H1N1 virus has caught everyone's attention. If workers are provided sick leave and allowed to take it, they would be far less likely to come to work sick, potentially spreading their illnesses to others.

The ILWU urges passes of H.B. 1687. Thank you for the opportunity to testify on this issue.



**Testimony to the House Committee on Labor & Public Employment  
Tuesday, February 2, 2010; 9:00 a.m.  
Conference Room 309**

**RE: HOUSE BILL NO. 1687 RELATING TO SICK LEAVE**

Chair Rhoads, Vice Chair Yamashita and Members of the Committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). I am here to state The Chamber's opposition to House Bill No. 1687, relating to Sick Leave.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

Some of the requirements are for employers to:

- Provide paid sick leave to all employees, regardless of their status as full-time, part-time, temporary, or work through the services of a temporary services or staffing agency.
- Provide employees a minimum of one hour of sick leave for every thirty hours worked.
- Provide 40 hours for small business employees and all others to provide 72 hours of paid sick leave.

The Chamber of Commerce of Hawaii has held a longstanding position that sick leave is a benefit for employees. Businesses generally offer this benefit to employees to create a healthy work environment and to foster a positive relationship with its employees. They understand that employees will require occasional leave from work due to a legitimate sickness. Furthermore, in order to stay competitive, employers provide sick leave benefits as a recruitment and retention incentive.

This measure will force all employers to provide paid sick leave whether they can afford it or not. The passage of this measure will hit companies during one of the most severe economic periods in our state, when all businesses are trying to do is preserve jobs. The implications of this measure will be costly for businesses, especially small ones as it will impact productivity and operations, as well as impose a costly burden due to its record keeping and administrative requirements.

The passage of the measure will add to the already high cost of doing business in Hawaii, an unstable work environment, and potential litigation. These factors will ultimately impact employees, and significantly undermine job growth. Essentially, this bill will reduce jobs.

Additionally, the passage of this measure will force companies to reevaluate wages and other optional benefits. It is highly likely that businesses will be forced to make cuts in these areas. Small businesses particularly, who consider employees as family and provide a level of flexibility with hours in certain situations and do not place additional burdens when they know their employees are facing difficult times, will be limited in the way they care for the employees.

In summary, HB 1687 will have the opposite effect of helping employees. Studies show that a mandatory sick leave bill will result in significant job loss. Can our state afford this at a time of high unemployment rates? The Chamber respectfully urges the committee to hold the measure. Companies, especially small businesses simply cannot afford a costly mandate at this time. Thank you for the opportunity to testify.