

STAND. COM. REP. NO.

2302

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 2507
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 2507 entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to address the health and safety needs of Hawaii's workers and their families by requiring employers to provide a minimum amount of paid sick and safe leave to employees in order to care for themselves or a family member who is ill, needs medical care, or is a victim of domestic violence, sexual assault, or stalking.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; the United Public Workers, AFSCME Local 646, AFL-CIO; UNITE HERE Local 5; Catholic Charities Hawaii; the Hawaii State Coalition Against Domestic Violence; 9to5, National Association of Working Women; the Progressive States Network; the National Partnership for Women & Families; and seven private individuals.

Testimony in opposition to this measure was submitted by the Department of Human Resources Development; the Department of Human Resources of the City and County of Honolulu; the Building Industry Association of Hawaii; the Chamber of Commerce of Hawaii; the Retail Merchants of Hawaii; the Hawaii Food Industry Association; Hawaii Human Resources; the National Federation of Independent Business; Hawaii Employment Services, Inc.; the Hawaii



Credit Union League; Suisan Company, Ltd.; Hawaii Accounting, Inc.; the Society for Human Resource Management Hawaii; RMA Sales; the Associated Builders and Contractors, Inc. Hawaii Chapter; the Hawaii Bankers Association; the Hawaii Cattlemen's Council, Inc.; Takamine Construction, Inc.; the Hawaii Restaurant Association; the Hawaii Automobile Dealers Association; the Molokai Chamber of Commerce; the Hawaii Farm Bureau Federation; the Big Island Farm Bureau; and seven private individuals.

Your Committee received comments on this measure from the Department of Labor and Industrial Relations; the International Longshore and Warehouse Union Local 142; Office of Labor Standards Enforcement of the City and County of San Francisco; and the Institute for Women's Policy Research.

Your Committee finds that vacation and sick leave benefits for employees vary from employer to employer. At times, employees must choose between caring for themselves or a family member due to illness and earning income. This measure provides a minimum amount of paid sick and safe leave to allow employees to take care of themselves or their family members. Of particular note, this measure enables victims of domestic violence, sexual assault, or stalking to participate in legal proceedings, receive medical treatment, or obtain other necessary services while maintaining a sense of financial freedom without the fear of being fired due to taking time off from work.

Your Committee notes the testimony in opposition submitted by the Hawaii Restaurant Association and the Chamber of Commerce of Hawaii which indicated this measure will have a negative impact on small businesses due to its "one size fits all" approach. This broad approach hinders an employer's flexibility in providing paid leave benefits and results in additional direct and indirect costs. Small businesses with fewer than ten employees who do not typically provide paid time off will need to give up to five days off to their employees under this measure. As a result, an already financially struggling small business may need to choose between providing paid leave benefits to their employees or closing down. Thus, the "one size fits all" approach may not be best suited for different industries with varying workforce needs.

As such, your Committee has amended this measure by:

- (1) Adopting the suggestion made by the Department of Labor and Industrial Relations to place the contents of this

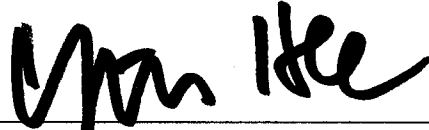


measure into a new chapter of the Hawaii Revised Statutes, rather than as a new part to the family leave laws;

- (2) Inserting an effective date of July 1, 2050, to ensure further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2507, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



