

# TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL TWENTY-SIXTH LEGISLATURE, 2012

### ON THE FOLLOWING MEASURE:

H.B. NO. 2089, RELATING TO HEALTH.

#### BEFORE THE:

HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

DATE:

Tuesday, January 31, 2012

TIME: 9:00 a.m.

LOCATION:

State Capitol, Room 309

TESTIFIER(S): David M. Louie, Attorney General, or

Nelson T. Higa, Deputy Attorney General

### Chair Rhoads and Members of the Committee:

The Department of the Attorney General has concerns regarding this bill.

This bill proposes to provide differing levels of "sick and safe leave" for all employees, as defined under 29 U.S.C. section 203(e) of the federal Fair Labor Standards Act of 1938, who work more than eighty hours in a year. For an employer with ten or more employees, this bill provides for up to seventy-two hours of sick leave per year. Employers with fewer than ten employees are required to provide up to forty hours of sick leave per year.

For either situation above, employees earn sick and safe leave at the rate of one hour of leave for every thirty hours of work. After reaching eligibility, an employee is capable of taking this leave for his own medical condition, the treatment of a family member's medical condition, or to attend to the aftermath of a domestic violence, sexual assault, or stalking incident.

Finally, this bill provides for the enforcement by the Director of Labor and Industrial Relations, the aggrieved employee, or the Department of the Attorney General by filing of a civil action against the employer. This bill also permits an aggrieved person to file a complaint with the Department of the Attorney General, but such a filing does not prohibit the filing of a civil action by the employee.

The Department of the Attorney General points out the following concerns.

First, section 398-6, Hawaii Revised Statutes, (HRS), currently gives the Department of Labor and Industrial Relations (DLIR) jurisdiction over the prohibited acts made unlawful by chapter 398. This bill gives the employee the right to bypass DLIR or file a complaint directly with the Department of the Attorney General, but DLIR has exclusive authority for other

Testimony of the Department of the Attorney General Twenty-Sixth Legislature, 2012 Page 2 of 2

violations of the existing chapter 398, and should also have exclusive authority over violations of these new provisions.

Historically, Hawaii Family Leave Law investigations tended to involve the non-compliance of qualifying employers with the ten-day-sick-leave-substitution provision provided employees by section 398-4(c), HRS. Complaints filed with DLIR that are not resolved by DLIR are referred over to the Department of the Attorney General for handling of an administrative hearing, upon appeal of DLIR's determination. Having differing venues for the filing of sick leave complaints contemplated by this bill may result in confusion and possible inconsistent decisions being made.

Second, this bill provides no appropriation of resources to investigate the complaints that are filed. Currently, the investigation of a complaint for violations of Hawaii's Family Leave Law is conducted by DLIR's Labor Law Enforcement Specialists of the Wage Standards Division. At present the Department of the Attorney General lacks the resources to take on this additional responsibility.

Third, the bill contemplates investigation by the Department of the Attorney General, but it only gives DLIR tools to aid the investigation. For example, this bill makes it a presumptive violation for employers who do not retain five years worth of adequate employment records when claims are filed with DLIR. We suggest that the presumption of violation be clearly made applicable to investigations conducted by the Department of the Attorney General, if the Department of the Attorney General is tasked with enforcement of this bill.

Finally, we note that this bill provides for a differing set of definitions for employee, employer, and sick leave, and a differing definition for similar terms, such as healthcare provider and healthcare professional within the same chapter. These terms are already defined in section 398-1, HRS. Having a different definition for the same or similar terms within the same chapter can lead to confusion and inconsistent application of these provisions.

The Department of the Attorney General respectfully requests that the wording allowing for the filing of a complaint with the Department of the Attorney General be deleted from this bill as the DLIR currently has exclusive jurisdiction and the institutional expertise over Hawaii's Family Leave Law.

DEPUTY DIRECTOR



# STATE OF HAWAII DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

235 S. BERETANIA STREET HONOLULU, HAWAII 96813-2437

January 30, 2012

# TESTIMONY TO THE HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

For Hearing on Tuesday, January 31, 2012 9:00 A.M., Conference Room 309

BY

# BARBARA A. KRIEG INTERIM DIRECTOR

## House Bill 2089 Relating to Health

### TO CHAIRPERSON KARL RHOADS AND MEMBERS OF THE COMMITTEE:

H.B. 2089 requires employers to provide a minimum amount of paid sick and safe leave to employees to be used 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.

The Department of Human Resources Development respectfully **opposes this bill** to the extent that 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.

Secondly, State employees are already covered under the Hawaii Family Leave Law that allows them to care for a family member with a serious health condition. Eligible employees 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.

Lastly, public employees already enjoy a generous benefit package of 21 days sick and 21 days vacation days per year, which may be used for purposes described in this bill.

We recommend that this bill be held or amended to exclude State employees.

Thank you for the opportunity to testify on this measure.

AUDREY HIDANO DEPUTY DIRECTOR



# STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

830 PUNCHBOWL STREET, ROOM 321 HONOLULU, HAWAII 96813 www.hawaii.gov/iabor Phone: (808) 586-8842 / Fax: (808) 586-9099 Email: dlir.director@hawaii.gov



## January 30, 2012

To:

The Honorable Karl Rhoads, Chair, Kyle Yamashita, Vice Chair

and Members of the House Committee on Labor & Public Employment

Date:

Tuesday, January 31, 2012

Time:

9:00 a.m.

Place:

Conference Room 309, State Capitol

From:

Dwight Y. Takamine, Director

Department of Labor and Industrial Relations

# Re: H.B. No. 2089 Relating to Health

# I. OVERVIEW OF PROPOSED LEGISLATION

H.B. No. 2089 proposes to amend the Hawaii Family Leave Law by adding a new part to:

- Require employers to provide employees with a minimum of paid sick and safe leave.
- Expand coverage of the sick or safe leave to the individual worker.
- Add new definitions of family members and allowable leave.
- Add new eligibility requirements and types of coverage allowed under this part.

The Department of Labor and Industrial Relations (DLIR) appreciates the overall concept of the bill, but is concerned about the conflicting and inconsistent application of the new amended part with the current provisions of the Family Leave Law.

### II. CURRENT LAW

The Family Leave Law requires an employer with 100 or more employees to allow an eligible employee to take up to four weeks of protected and unpaid family leave to care for a family member with a serious health condition. To be eligible, an employee must have been employed 6 months prior to the taking of family leave.

## III. COMMENTS ON THE HOUSE BILL

DLIR supports efforts by employers to assist employees by providing sick leave and safe leave to take care of the various personal and family health issues that naturally arise in worker's lives. The provision of sick and safe leave may diminish private and public health care costs, protect the public health in the state, promote the economic security and stability of workers and their families, assist victims of domestic violence and their families and protect employees in the state from losing their jobs while they use sick and safe leave to take care of themselves and their families.

The bill as currently written would impose new definitions with language contradictory to the current family leave law that would lead to confusion and difficulty in enforcement of these provisions.

The DLIR will be required to split the Family Leave Law into two areas of enforcement and use different parameters for coverage of employers, coverage of employees, types of uses of sick and safe leave, posting and record keeping requirements, and penalty provisions. For example:

- The current definition of an employer is having 100 or more employees
   (ensuring coverage over larger companies that can provide family leave and
   still having coverage in the work environment). The new part defines an
   employer as provided in the federal Fair Labor Standards Act, which
   generally may cover all employers, large or small.
- There are additional types of leave in the proposal, which could still be covered under the current family leave so it is redundant.

DLIR suggests that the requirement for sick leave be separated into a new chapter of law, which can then be more fully tailored to just sick and safe leave should the legislature choose to act on this matter. The Family Leave Law may still have an expanded coverage by amending it to allow the employee to use family leave for their own serious injury or illness.

The DLIR is also concerned that the Wage Standards Division lacks the resources to implement this amendment. Broadening the scope of the law, and requiring additional reporting requirements will further serve to increase an

H.B. 2089 January 30, 2012 Page 3

already over-burdened staff of five investigators statewide who are responsible for conducting more than 700 investigations and responding to more than 22,000 inquiries annually.

The DLIR defers to the Department of Human Resources Development as to the applicability to State employment issues and to the Department of the Attorney General regarding the section on pages 22 and 23 on being able to file complaints directly to that office.



# HAWAII STATE AFL-CIO

320 Ward Avenue, Suite 209 . Honolulu, Hawali 96814

Telephone: (808) 597-1441 Fax: (808) 593-2149

The Twenty-Sixth Legislature, State of Hawaii
State House of Representatives
Committee on Labor & Public Employment

Testimony by Hawaii State AFL-CIO January 31, 2012

### H.B. 2089 - RELATING TO HEALTH

The Hawaii State AFL-CIO strongly supports H.B. 2089 which requires employers to provide a minimum amount of paid sick and safe leave to employees to be used 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.

- 68 percent of working-class families have two weeks or less of vacation and sick leave combined. 70 percent of parents face losing income or even losing their job every time they stay home with a sick child.
- 2. More than four in ten private-sector workers and more than eighty percent of low-wage workers do not have paid sick days to care for their own health. Forty million workers have no access to paid sick days at all and another 4.2 million haven't been on the job long enough to be eligible for paid sick days.
- 3. Paid sick leave gives workers an opportunity to regain their health, return to full productivity at work, and avoid spreading disease to their co-workers, all of which reduces employers' overall absence expense. Research documents that paid sick leave policies reduce the rate of contagious infections in the workplace by isolating sick workers at home.
- 4. When parents are able to stay home to care for sick children, it helps the children get well faster. Giving parents more flexibility is crucial since most child care centers typically forbid attendance by sick children-- and those that do risk just spreading illness among other children if parents are not able to stay home to care for them.
- 5. Adults without paid sick days are 1.5 times more likely than adults with paid sick days to report going to work with a contagious illness like the flu or a viral infection and risk infecting others. For example, more than three in



four food service and hotel workers (78 percent) don't have a single paid sick day — and workers in child care centers and nursing homes overwhelmingly lack paid sick days.

- 6. Paid Sick Leave is popular. According to a survey conducted by the National Opinion Research Center at the University of Chicago over 75 percent support a law guaranteeing workers a 'minimum number' of paid sick days to care for themselves or immediate family members. The number actually rises to 86 percent when you include up to 7 paid sick days per year. The public overwhelmingly supports.
- 7. A Seattle survey conducted by the Research Firm Grove Insight, shows that 69 percent of Seattle likely voters support paid sick days.
- 8. A Hart Research poll conducted in Connecticut found that 73 percent of all registered voters favor paid sick days, including 61 percent of Republicans, 70 percent of independents, and 87 percent of Democrats. Paid sick days resonate across the demographic spectrum as well, with more than 70 percent of voters in every age group, income level, and race favoring the law.
- 9. According to the Institute for Health and Policy, at least 145 countries provide paid sick days for short- or long-term illnesses, with 127 providing a week or more annually. More than 79 countries provide sickness benefits for at least 26 weeks or until recovery. The U.S. provides only unpaid leave for serious illnesses through the FMLA, which does not cover all workers.
- 10. According to the Drum Major Institute for Public Policy, paid sick leave does not harm employment. In fact, they found employment remains stronger in San Francisco, the first city in the country to implement a paid sick leave law in 2007, than in neighboring counties without such a law. Total employment in the five neighboring counties fell by 5.2 percent between December of 2006, immediately before the paid sick leave law went into effect, and December of 2009. Total employment in San Francisco fell by only 3 percent during that period, even in the midst of the worst recession since World War II and San Francisco experienced stronger employment growth than neighboring counties from December 2006 to December 2008 in the industries that are most affected by paid sick leave: retail, leisure and hospitality, and accommodation and food services.
- 11. The Center for Disease Control (CDC) recommends sick individuals should stay at home until the end of the exclusion period, to the extent possible, except when necessary to seek required medical care. Sick individuals should avoid contact with others. Keeping people with a fever at home may

reduce the number of people who get infected, since elevated temperature is associated with increased shedding of influenza virus. CDC recommends this exclusion period regardless of whether or not antiviral medications are used. People on antiviral treatment may shed influenza viruses that are resistant to antiviral medications.

12. According to the U.S. Bureau of Labor Statistics in March 2009, the average cost for sick leave per employee hour worked for private-sector employers was 23 cents.

Paid sick days are vastly popular, beneficial to the health and wellbeing of the general public, co-workers, and school children. It is also the right thing to do. We respectfully request the passage of H.B 2089.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira President



888 Mililani Street, Suite 601 Honolulu, Hawaii 96813-2991 Telephone: 808.543.0000 Facsimile: 808.528.4059

www.hgea.org

The Twenty-Sixth Legislature, State of Hawaii
House of Representatives
Committee on Labor and Public Employment

Testimony by
Hawaii Government Employees Association
January 31, 2012

### H.B. 2089 – RELATING TO HEALTH

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 2089, which requires employers to provide a minimum amount of paid sick and safe leave to employees to be used 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.

The HGEA represents more than 25,000 public employees that enjoy that same benefit of paid sick leave for healthcare for themselves, but not for their family members. No one should have to choose between their family's well-being and their job. Providing paid sick and safe leave for self-care as well as for family welfare supports workers and our community as a whole.

We support the intent of the bill; however, its definition of "Employee" (page 8, lines 21 through line 3 on page 9) is problematic. It excludes from coverage individuals who are "not subject to the civil service laws of the State, political subdivision, or agency which employs" them. There is a significant segment of public employees in bargaining units we represent that have been excluded from civil service, under Chapter 76-16, HRS.

Overall, providing paid sick and safe leave is a desirable investment in the health and welfare of our community. We urge you to pass this measure with a change to the definition of employee to include all bargaining unit employees subject to Chapter 89, HRS. Thank you for the opportunity to testify in support of the intent of H.B. 2089.

Respectfully submitted,

Léiomalama E. Desha Deputy Executive Director



Representative Karl Rhoads, Chair Representative Kyle Yamashita, Vice Chair Committee on Labor & Public Employment State Capitol, Honolulu, Hawaii 96813

**HEARING** 

Tuesday, January 31, 2012

9:00 am

Conference Room 309

### RE HB2089, Relating to Health

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

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

**RMH strongly opposes HB2089**, which requires employers to provide a minimum amount of paid sick and safe leave to employees to be used 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.

Many businesses already have a paid sick leave policy in place, the duration of which, effective date of application and other specifics vary depending on the needs of the business and employers' resources. This sick leave benefit is intended to allow for the occasional cold or flu, which generally do not warrant a visit to a physician. Most employers do not require a doctor's validation in writing.

Employers already are mandated to provide Health Care Insurance, Unemployment Insurance, Workers' Compensation Insurance, and Temporary Disability Insurance. HB2089 adds yet another costly benefit to the list.

At this point in time, policy-makers should be eliminating obstacles to business growth, job creation and economic recovery, not adding additional costs that employers cannot afford.

The members of the Retail Merchants of Hawaii respectfully urge you to hold HB2089. Thank you for the opportunity to comment on this measure.

Carol Pregill, President

In Origin



# Testimony to the House Committee on Labor & Public Employment Tuesday, January 31, 2012 9:00 a.m. State Capitol - Conference Room 309

## RE: HOUSE BILL NO. 2089 RELATING TO HEALTH

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. 2089 relating to Health.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 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.

This measure requires employers to provide a minimum amount of paid sick and safe leave to employees to be used to care for themselves or a family member. Essentially, this measure will apply to many small businesses with less than 10 employees that do not have a sick leave policy.

Businesses generally offer paid leave (ie. Vacation, sick leave, PTO) 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 or other reasons, and generally accommodate and work with them.

This "one-size fits all" approach, however, will hinder an employer's flexibility in providing this benefit and result in additional costs, direct and indirect. It will be another mandate placed on businesses among others that already exist.

Small businesses are especially vulnerable to any increase in costs, especially those who operate on low margins. Passage of this measure may force many small employers to offset higher costs through lower wages to their employees, fewer work hours, less pay raises, decreased discretionary benefits, and higher health care costs, or even increased costs for consumers. Even worse, for those companies on the "tipping point," any increase may force them to close shop.

Moreover, for employers that already provide the benefit, this measure adds another layer of administrative burden. Many small businesses do not have the human resources capacity or additional resources to keep up with the regulatory requirements.

The Chamber of Commerce of Hawaii Testimony on HB 2089

Next, the measure does not allow employers to verify whether the employee is taking "sick and safe leave" for the first 3 days of absence. The bill prohibits employers from requiring reasonable documentation unless the "sick and safe leave" exceeds three consecutive days. And, it penalizes the employer for asking to verify whether someone is truly sick by requiring the employer to pay for the doctor's note.

At a time when the State is placing an emphasis on jobs and the economy, this measure and any other mandate that creates perceived or real additional costs, will undermine those efforts, hinder economic progress and entrepreneurial activity, and deter business investment in our State. During this uncertain state of the economy, the passage of this measure and other cost burdens would be unfortunate and devastating for Hawaii's economic climate.

In light of this, The Chamber respectfully requests that this measure be held.



Written Testimony of Debra L. Ness President, National Partnership for Women & Families on H.B. 2089, Paid Sick and Safe Leave

Submitted to Committee on Labor and Public Employment Hawaii House of Representatives January 31, 2012

I am pleased to submit testimony in support of H.B. 2089, a bill to provide Hawaii's workers with access to earned paid sick and safe leave. The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, access to quality health care, and policies that help workers in the United States meet the dual demands of work and family.

Like many working families across the nation, Hawaii's working families are struggling harder than ever to make ends meet. For workers without paid sick days, a bad case of the flu or a child's fever can mean the loss of a much-needed paycheck or even a job. Paid sick days policies protect workers' economic security and the health and well-being of their communities without over-burdening businesses.

In 2011, Connecticut became the first state and Seattle the fourth city to adopt paid sick days laws. The cities of San Francisco and Washington, D.C., previously implemented successful paid sick days legislation. I applaud Hawaii for joining more than 20 other states and cities across the nation in considering this common-sense policy. I urge you to act this year to adopt a paid sick leave standard that will help people throughout the state to be both responsible workers and responsible family members when illness strikes or medical needs arise.

### The Economic Security of Working Families and the Well-Being of Our Communities Suffer When Workers Lack Paid Sick Leave

Everyone gets sick, but too many workers in Hawaii cannot take time away from work to get better. The cost of allowing this to continue, and failing to enact a remedy, is high for Hawaii's families, communities and businesses. That is why establishing a minimum paid sick leave standard is so important.

Nearly 175,000 people in Hawaii — 43 percent of private sector workers — do not have paid sick days to use for their own illnesses, a rate slightly higher than the United States as a whole.¹ Many more cannot take paid sick days to care for an ill child or family member.² In this economy, the lack of a paid sick days standard forces too many workers and their families to

<sup>&</sup>lt;sup>1</sup> Williams, C., et al. (2011, March). Access to Paid Sick Days in the States, 2010. Institute for Women's Policy Research publication. Retrieved 26 January 2012, from http://www.iwpr.org/publications/pubs/access-to-paid-sick-days-in-the-states-2010

<sup>&</sup>lt;sup>2</sup> Lovell, V. (2004). No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave (p. 9). Institute for Women's Policy Research publication. Retrieved 28 February 2011, from http://www.iwpr.org/publications/pubs/no-time-to-be-sick-why-everyone-suffers-when-workers-don2019t-have-paid-sick-leave-b242

make the impossible choice between their health and their financial security. At a time when many families are living paycheck to paycheck and the average unemployed worker searches for many months for a new job,<sup>3</sup> workers without paid sick days can ill afford to lose pay when they get the flu, or risk job loss when they need to take a child to the doctor.

Research released last year shows that for an average family without paid sick days even a few unpaid days away from work can jeopardize their ability to pay bills or meet basic needs. For example, just 3.5 days of lost pay are equivalent to that average family's entire monthly grocery budget.<sup>4</sup> And that assumes a breadwinner is able to return to work after taking the time. Unfortunately, too often, workers lose their jobs when they have to take time away from work because they are ill or a family member needs care. In a recent study, 23 percent of adults in the United States reported losing a job or being threatened with job loss for needing time away from work to address personal or family illness, and 16 percent reported actually losing their jobs.<sup>5</sup>

Working women, who continue to be the primary caregivers for their families, are particularly impacted when they lack paid sick days. Half of working mothers miss work when a child comes down with a common illness, and many of these women — two-thirds of low-income mothers and more than one-third of middle- and upper-income mothers — lose pay when they care for sick children. Women are now the sole or co-breadwinners in nearly two-thirds of U.S. households. There is no question that the economic security of families is put in jeopardy when working mothers have to miss work to care for their ill children.

Because of the economic hardships and job insecurity associated with a lack of paid sick days, too often, workers without paid sick days are forced to go to work rather than care for their health; they delay preventive care or turning to emergency rooms instead of using lower-cost health care options. In these cases, potentially treatable problems can become more severe. Nationwide, people without paid sick days are twice as likely as those with paid sick days to use an emergency room because of their inability to take time off of work,<sup>8</sup> and parents without paid sick days are *five times* more likely to take a child or family member to an emergency room.<sup>9</sup> In the ongoing effort to improve the health of Americans and reduce health care costs, the lack of a paid sick days standard is simply bad health policy. In fact, a recent study estimates that if all workers in the United States had access to paid sick days, health care costs associated with emergency room use would be reduced by \$1.1 billion nationwide each year, with \$517 million in savings going to taxpayer-funded health insurance programs.<sup>10</sup>

<sup>8</sup> See note 5, p. 40.

<sup>3</sup> U.S. Bureau of Labor Statistics. (2012, January 6). Unemployed persons by duration of unemployment (Table A-12). Retrieved 26 January 2012, from http://www.bls.gov/news.release/empsit.t12.htm

<sup>4</sup> Gould, E., Filion, K., & Green, A. (2011, June 29). The Need for Paid Sick Days: The lack of a federal policy further erodes family economic security. Economic Policy Institute publication. Retrieved 26 January 2012, from http://www.epi.org/page/-/BriefingPaper319.pdf?nocdn=1

<sup>&</sup>lt;sup>5</sup> Smith, T., & Kim, J. (2010, June). Paid Sick Days: Attitudes and Experiences. National Opinion Research Center at the University of Chicago for the Public Welfare Foundation publication (pp. 5-6). Retrieved 26 January 2012, from http://www.publicwelfare.org/resources/DocFiles/psd2010final.pdf

<sup>&</sup>lt;sup>6</sup> Kaiser Family Foundation. (2003, April). Women, Work and Family Health: A Balancing Act (p. 2). Retrieved 25 February 2011, from

http://paidsickdays.nationalpartnership.org/site/DocServer/Women\_Work\_\_Family\_Health.pdf?docID=366 7 Boushey, H., & O'Leary, A., eds. (2009). *The Shriver Report: A Woman's Nation Changes Everything* (p. 32). Center for American Progress and A Woman's Nation publication. Retrieved 26 January 2012, from http://www.americanprogress.org/issues/2009/10/pdf/awn/a\_womans\_nation.pdf

<sup>&</sup>lt;sup>9</sup> See note 5 (unpublished calculation).

Miller, K., Williams, C., & Yi, Y. (2011, October 31). Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits. Institute for Women's Policy Research publication. Retrieved 21 November 2011, from http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits

What's more, the lack of a paid sick days standard creates serious public health risks. People without paid sick days are 1.5 times more likely to go to work sick than people with paid sick days. And workers who have the most direct contact with the public are the ones least likely to have access to paid sick days. For example, nearly three out of four food preparation and food service workers have no paid sick days, and nearly two-thirds of restaurant workers report having worked sick, potentially leading to the spread of contagious illnesses to customers. Similarly, just 27 percent of child care workers have paid sick days, risking the spread of contagious illnesses to young children. Nearly half of personal care workers (child care and home health care workers who assist the infirm and the elderly) do not have paid sick time, seausing potentially serious health problems in these vulnerable populations. When disease spreads because workers can't stay home, everyone loses.

Failing to provide workers with paid sick days can also cause a reduction in productivity for businesses — which can have a ripple effect when disease spreads through a worksite. In fact, lost business productivity due to workers being sick on the job costs an estimated \$160 billion annually. A snapshot from the H1N1 pandemic in 2009 shows why. During a three-month period in the fall of 2009, 26 million workers suffered from H1N1 and eight million workers went to work sick, infecting up to seven million of their co-workers. H1N1 lasted longer in private sector workplaces than in public sector workplaces during those three months — a difference that researchers attribute to the lack of paid sick days in the private sector. Business productivity and efficiency suffer when illness overcomes the workplace.

# H.B. 2089: An Important First Step Toward Meeting the Needs of Hawaii's Workers and Their Families

The tremendous costs of inaction and the benefits that paid sick days policies have for working families, our public health, our children and our communities are clear. That is why the National Partnership supports a standard that would allow all workers to earn paid sick time. H.B. 2089 is an excellent first step toward meeting the needs of nearly 175,000 Hawaii workers and their families while respecting the needs of the state's businesses. We look forward to the day when all Hawaii workers have access to paid sick time.

<sup>&</sup>lt;sup>11</sup> See note 5, p. 39.

<sup>&</sup>lt;sup>12</sup> Joint Economic Committee of the U.S. Congress. (2010, March). Expanding Access to Paid Sick Leave: The Impact of the Healthy Families Act on America's Workers (p. 2). Retrieved 26 January 2012, from http://jec.senate.gov/public/index.cfm?a=Files.Serve&File\_id=abf8aca7-6b94-4152-b720-2d8d04b81ed6
<sup>13</sup> Restaurant Opportunities Centers United. (2010, September). Serving While Sick: High Risks and Low Benefits for the Nation's Restaurant Workforce, and Their Impact on the Consumer (p. 11). Restaurant Opportunities Centers United publication. Retrieved 9 December 2010, from http://www.rocunited.org/files/roc\_servingwhilesick\_v06%20(1).pdf

<sup>&</sup>lt;sup>14</sup> See note 12, p. 3. Number applies to establishments with 15 or more employees.

<sup>15</sup> Ibid, p. 8. Number applies to establishments with 15 or more employees.

<sup>&</sup>lt;sup>16</sup> Stewart, W., et al. (2003, December). "Lost Productive Health Time Costs from Health Conditions in the United States: Results from the American Productivity Audit." Journal of Occupational and Environmental Medicine, 45. Retrieved 22 November 2011, from

 $http://www.workhealth.org/whatsnew/whnewrap/Stewart%20etal\_lost%20productive%20work%20time%20costs%20from%20health%20conditions%20in%20the%20US\_%20Results%20from%20the%20American%20Productivity%20Audit%202003.pdf$ 

<sup>&</sup>lt;sup>17</sup> Institute for Women's Policy Research. (2010, February). Sick at Work: Infected Employees in the Workplace During the H1N1 Pandemic (p.1). Institute for Women's Policy Research publication. Retrieved 26 January 2012, from http://www.iwpr.org/publications/pubs/sick-at-work-infected-employees-in-the-workplace-during-the-h1n1-pandemic

<sup>18</sup> Ibid, p. 8.

Paid sick days laws in San Francisco and Washington, D.C., in place since 2007 and 2008, respectively, have already had a dramatic impact on workers. A recent study of San Francisco workers shows that, as a result of the city's paid sick days law, many of the workers most in need of paid sick days now have access to them. As a result, a majority of workers say they are better able to care for their own health needs and the health needs of their families, that their employers are more supportive of workers using sick time, or that they gained more sick time because of the floor set by the law. There is also indisputable evidence refuting opponents' claims that paid sick days laws harm business and job growth. San Francisco's experience shows that businesses — including the smallest businesses — can flourish when a paid sick days standard is in place. In the two years following the implementation of the city's paid sick days law (a time period that includes the recent recession), the number of businesses and jobs in San Francisco grew relative to business and job growth in surrounding counties. The growth pattern held true even in the industries that had to make the biggest changes by offering paid sick days as a result of the law — retail and food service.

The experiences of San Francisco businesses show that fears of disruption from a paid sick days standard are vastly overblown. For example, most businesses did not have to make any changes to their policies as a result of the law.<sup>23</sup> And two-thirds of businesses now say they support the law.<sup>24</sup> With respect to concerns that workers might overuse paid sick time, the data show that workers in the city used just three sick days per year on average, despite the availability of many more days under the law. One-quarter of all workers did not use *any* sick days within a one-year period.<sup>25</sup> As the Golden Gate Restaurant Association, an opponent of the law prior to adoption now concedes, paid sick days is "is the best public policy for the least cost."<sup>26</sup>

# A Paid Sick Days Standard: A Public Policy Solution That Works for Everyone

Everyone gets sick. Everyone should have time to get better without jeopardizing their economic security or their families' health. The National Partnership urges the Hawaii House of Representatives to pass H.B. 2089 without delay to protect the economic security of Hawaii's working families and the health and well-being of its residents.

<sup>&</sup>lt;sup>19</sup> Drago, R., & Lovell, V. (2011, February). San Francisco's Paid Sick Leave Ordinance: Outcomes for Employers and Employees (p. 9). Institute for Women's Policy Research publication. Retrieved 26 January 2012, from http://www.iwpr.org/publications/pubs/San-Fran-PSD

<sup>&</sup>lt;sup>21</sup> Petro, J. (2010, October). Paid Sick Leave Does Not Harm Business Growth or Job Growth (pp. 5-6). Drum Major Institute for Public Policy publication. Retrieved 26 January 2012, from <a href="http://www.drummajorinstitute.org/pdfs/Paid\_Sick\_Leave\_Does\_Not\_Harm.pdf">http://www.drummajorinstitute.org/pdfs/Paid\_Sick\_Leave\_Does\_Not\_Harm.pdf</a>

<sup>22</sup> Ibid, p. 7.

<sup>&</sup>lt;sup>23</sup> See note 19, p. 17.

<sup>&</sup>lt;sup>24</sup> Ibid, p. 22.

<sup>&</sup>lt;sup>25</sup> Ibid, p. 9.

<sup>&</sup>lt;sup>26</sup> Warren, J. (2010, June 2). Cough If You Need Sick Leave. *Bloomberg Business Week*. Retrieved 26 January 2012, from http://www.businessweek.com/magazine/content/10\_24/b4182033783036.htm



# 9to5, National Association of Working Women

207 E. Buffalo Street, Suite 211, Milwaukee, Wisconsin 53202 (414) 274-0933 Fax (414) 272-2870

January 30, 2012

Hawaii State Legislature House Committee on Labor and Public Employment

Re: Support for HB 2089, Paid Sick and Safe Leave

Dear Committee Members:

On behalf of the members and constituents of 9to5, National Association of Working Women, I urge you to support HB 2089, Paid Sick and Safe Leave.

9to5 is a 38-year-old national, membership-based organization of low-income women, working to improve policy on issues related to ending discrimination, strengthening the safety net, and creating good jobs with policies that promote family-flexibility. We strongly support legislation that would allow workers to earn paid sick and safe days so they can care for their own and their family's health needs without risking their jobs or their pay. In these tough economic times, we must take steps to protect the public health *and* protect jobs.

Consider these examples of the many problems facing working Americans, particularly low-wage working women, who lack paid sick and safe days on the job:

- Tahirah was employed at a fast food restaurant but lacked paid sick days a particular problem because her 4-year-old daughter suffers with asthma. After several instances where her employer refused to allow Tahirah to leave work when her daughter became ill at her preschool, Tahirah was forced to quit and move to a part-time job that still didn't offer paid sick days or pay as much, but at least allowed Tahirah unpaid time to care for her daughter when she's ill.
- Latisha was pregnant when she contracted the flu. The problem: she lacked paid sick days. She had no choice but to report to work, but she worried about passing the flu to her co-workers. Still, with two children to care for and another on the way, she worried more about what it would mean to her family if she lost pay or lost her job simply because she got sick.
- Angel represents all the American workers struggling mightily to keep themselves healthy in unhealthy environments because they lack access to paid sick days. She uses hand sanitizer constantly, and dons a plastic protective mask whenever there's a sick co-worker nearby. Still, she works in fear. "I am absolutely terrified of getting sick because I don't make much money, don't have paid sick days and might lose my job if I get sick and have to stay home."

Tahirah, Latisha and Angel aren't alone. Nearly 4 in 10 private-sector workers, and over 80% of low-wage workers, lack paid sick days to recover from common, short-term illnesses; millions more lack a paid sick day they can use to care for an ill child. The time is now to establish a basic standard of paid sick days. Please support this vital legislation. Thank you for your consideration. Feel free to contact me if you would like to discuss this matter further.

Sincerely,

Linda Meric, Executive Director

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TO:

COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

Rep. Karl Rhoads, Chair

Rep. Kyle T. Yamashita, Vice Chair

FROM:

Eldon L. Wegner, Ph.D.,

PABEA (Policy Advisory Board for Elder Affairs)

SUBJECT: HB 2089 Relating to Health

HEARING: 1:15 pm Tuesday, February 5, 2008

Conference Room 016, Hawaii State Capitol

POSITION: The Policy Advisory Board for Elder Affairs supports approval of HB 2089

which would provide a minimum of paid sick and safe leave to employees to care themselves or a family member who needs care due to illness or

being a victim of domestic violence, sexual assault or stalking.

### **RATIONALE:**

I am offering testimony on behalf of PABEA, the Policy Advisory Board for Elder Affairs, which is an appointed board tasked with advising the Executive Office on Aging (EOA). My testimony does not represent the views of the EOA but of the Board.

- \$ Surveys of the family caregivers and employers in Hawaii in 2007 provided data supporting the need for assisting employed caregivers and a growing recognition by employers of the lost productivity due to the strains of working caregivers.
- \$ Family caregivers reported many strains in balancing the obligations of employment and caregiving, often resulting in absences, interruptions during work hours, leaving early, and anxieties which reduced productivity. Many also had to reduce hours of work, reduce work responsibilities, and pass up promotions, resulting in substantial financial sacrifices to their families and their future economic well-being
- 5 The proposed legislation would at least provide some financial protection for persons who need to reduce their employment in order to care for themselves or their family members. This policy would likely result in greater workforce retention, benefiting both the caregiver, the employer and the general society, especially if combined with other workplace policies such as flexible hours to support caregivers.

Thank you for the opportunity to provide testimony supporting this bill.



# Before the House Committee on Labor & Public Employment

DATE:

Tuesday, January 31, 2012

TIME:

9:00 A.M.

PLACE:

Conference Room 309

Re: HB 2089 Relating to Health

# Testimony of Melissa Pavlicek for NFIB Hawaii

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to HB 2089 relating to health. NFIB Hawaii respectfully **opposes** this measure.

HB 2089 requires employers to provide a minimum amount of paid sick and safe leave to employees to be used for themselves or a family members who is ill, needs medical care, or is a victim of domestic violence, sexual assault, or stalking.

When it comes to employers providing paid sick time to their employees, we believe government should not intrude in the employer/employee relationship. Small businesses are often family businesses or operate in a similar way. Many small employers are already flexible in accommodating employee needs and time off requests without conflict. It is inappropriate for the government to require a solution for a problem before a problem even exists.

The National Federation of Independent Business is the largest advocacy organization representing small and independent business in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents more than 1,000 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed.

Mahalo for your consideration.

HAWAII STATE COMMISSION ON THE STATUS OF WOMEN



Chair LESLIE WILKINS

COMMISSIONERS:

ELENA CABATU
ADRIENNE KING
CARMILLE LIM
AMY MONK
LISA ELLEN SMITH
CAROL ANNE PHILIPS

Executive Director Catherine Betts, Esq.

Email: DHS.HSCSW@hawaii.gov Web: www.hawaii.gov/dhs/women/ HSCSW

235 S. Beretania #407 Honolutu, HI 96813 Phone: 808-586-5758 FAX: 808-586-5756 January 30, 2012



# **Testimony in Support of HB 2089**

To: Chair Karl Rhoads

Vice Chair Kyle T. Yamashita

Members of the House Committee on Labor and Public Employment

**From**: Catherine Betts, Esq., Executive Director, Hawaii State Commission on the Status of Women

Re: Testimony in Support of HB 2089, Relating to Health

On behalf of the Hawaii State Commission on the Status of Women, I would like to thank the committee for this opportunity to provide testimony on this important issue. I would like to express my strong support of this bill, which would require employers to provide paid sick and safe leave to employees.

If passed, this bill would enable victims of domestic violence, sexual assault or stalking to participate in legal proceedings, receive medical treatment or obtain other necessary services. A minimum of paid sick and/or safe leave would also allow victims to maintain some sense of financial independence without fear of firing for taking time off.

Maintaining a job can be extremely difficult for victims of violent crime. In 2009, the Department of Justice found that of the 79% of stalking victims who had a job, one in eight lost time from work. More than half of the victims surveyed lost five or more days from work. In 2007, between 15.2% and 27.6% of women surveyed lost a job due to abuse. Allowing a minimum amount of paid time off is crucial for victims to recover from abuse. Additionally, it is a sound public policy that benefits the community and the workplace. The Commission respectfully requests that this Committee pass HB 2089.

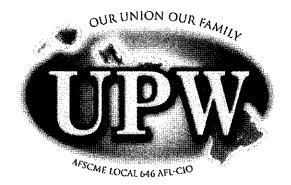
Thank you for this opportunity,

Catherine Betts, Esq.

<sup>&</sup>lt;sup>1</sup> Katrina Baum, U.S. Dep't of Justice, Bureau of Justice Statistics, Stalking Victimization in the United

States (2009).

<sup>2</sup> TK Logan, et al. Partner Stalking and Implications for Women's Employment, J. INTERPERS. VIOLENCE 22(3): 268-291 (2007).





THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Sixth Legislature
Regular Session of 2012

# **COMMITTEE ON LABOR & PUBLIC EMPLOYMENT**

The Honorable Rep. Karl Rhoads, Chair The Honorable Rep. Kyle T. Yamashita, Vice Chair

DATE OF HEARING: Tuesday, January 31, 2012

TIME OF HEARING: 9:00 a.m.

PLACE OF HEARING: Conference Room 309

# **TESTIMONY ON HB 2089 RELATING TO HEALTH**

By DAYTON M. NAKANELUA, State Director of the United Public Workers, AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 11,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 01 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW supports HB 2089, requiring employers to provide a minimum amount of paid sick leave to employees to be used 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.

Accordingly, the UPW is in support of HB 2089.

Thank you for opportunity to testify on this measure.

The Twenty-Sixth Legislature Regular Session of 2012

HOUSE OF REPRESENTATIVES Committee on Labor & Public Employment Rep. Karl Rhoads, Chair Rep. Kyle T. Yamashita, Vice Chair State Capitol, Conference Room 309 Tuesday, January 31, 2012; 9:00 a.m.



## STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2089 RELATING TO HEALTH

The ILWU Local 142 supports the intent of H.B. 2089, which requires employers to provide a minimum amount of paid sick and safe leave to employees to be used 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.

Hawaii statute currently requires that temporary disability insurance (TDI) benefits be provided to all employees at 58% of the employee's wages from the eighth day of disability for a maximum of 26 weeks when an employee is unable to work due to non-work related injuries or illnesses. Passed in 1969, the TDI law was intended to address the need for income during an illness or injury of some duration. Employers may purchase insurance or be "self-insured" by adopting a sick leave policy that is approved by the Department of Labor and Industrial Relations. Some employers provide both a TDI insured plan and a sick leave policy.

However, a TDI insured plan is clearly not the best solution for those who have to stay at home due to a cold or flu or a broken ankle or even to care for a sick child or parent because of the limited benefit (58%) and waiting period (seven days). H.B. 2089 addresses those concerns by mandating paid sick leave from the first day of illness provided the employee has worked long enough to earn the benefit. We believe the provision of sick leave is a sensible, humane way to treat employees and should be required of all employers.

While we have some questions about what this new law will mean for TDI, the ILWU urges the Committee to pass H.B. 2089 for further discussion and clarification. Thank you for the opportunity to share our views and concerns.





Testimony to the House Committees on Labor and Public Employment Tuesday, January 31, 2012 9:00 a.m.
State Capitol - Conference Room 309

RE: HOUSE BILL NO. 2089 RELATING TO HEALTH

Aloha Chair Rhoads, Vice Chair Yamashita, and members of the committees. We are Ryan Kusumoto and Lisa Kracher, the Legislative Committee co-chairs for the Society for Human Resource Management – Hawaii Chapter ("SHRM Hawaii"). SHRM Hawaii represents nearly 1,000 human resource professionals in the State of Hawaii.

We are writing to respectfully <u>oppose</u> HB 2089 which requires employers to provide paid sick and safe leave to employees and imposes penalties for failure to provide meal breaks.

Human resource professionals are keenly attuned to the needs of employers and employees. We are the frontline professionals responsible for businesses' most valuable asset: human capital. We truly have our employers' and employees' interests at heart. We respectfully oppose this measure for the significant implementation challenges and administrative burden it would impose and for the potential for unintended consequences and costs.

Our most significant concerns are as follows:

- 1. The administrative challenges and increased time requirements to implement, track, and maintain records for the sick and safe leave especially where such leave may be taken intermittently.
- 2. Although this bill does not displace any existing, more generous leave policy, it fails to define or provide guidance as to what constitutes "more generous." There is no employer currently offering the same levels of proposed safe or sick leave given the proposed definitions.



For example, under this bill "sick" leave shall include additional kinds of paid leave not currently available at most employers, such as time spent caring for a family member. This would effectively constitute paid FMLA leave.

- 3. This bill creates a legal presumption of retaliation if a company disciplines or discharges a worker within 90 days after an employee takes such leave. Because the leave may be taken incrementally, an employee could take leave frequently throughout the year and the 90 day time period shielding employees from discipline or discharge would never run.
- 4. The bill prohibits an employer from requiring documentation of the need for leave if the employee takes the leave in blocks of less than 3 consecutive days.
- 5. The anticipated costs associated with providing sick and safe leave in this challenging economy. This will be felt most by small businesses who can anticipate approximately \$1,000 per year per employee, and an employer of 10 or more, more than twice that. Larger employers will effectively be paying the cost of one more worker for every 30 they currently employ. Also consider the cost on the State Government at a time when the State's budget is stretched to its limit. This does not include the additional cost of administration.

We continue to review this bill and, if it advances, request to be a part of the dialog concerning it. Thank you for the opportunity to testify.





# HAWALESTATE COMMISSION ACAINS LOOMES INCLUDENCE

To:

The Honorable Karl Rhoads, Chair

The Honorable Kyle Yamashita, Vice-Chair HOUSE COMMITTEE ON LABOR & PUBLIC

**EMPLOYMENT** 

From:

Veronika Geronimo, Executive Director

Hawaii State Coalition Against Domestic Violence

RE:

HB2089 - SUPPORT

Hearing Date and Time:

Tuesday, January 31 @ 9:00am

Good morning Chair Rhoads, Vice-Chair Yamashita, and Members of the Committee. The Hawai'i State Coalition Against Domestic Violence submits the following testimony in support of HB2089. As a statewide coalition of domestic violence service providers, our mission is to engage communities and organizations to end domestic violence through education, advocacy, and action for social justice.

Domestic violence affects many employees. Although studies show that the majority of survivors are female (1 in four women, whereas 1 in 13 men, are survivors), domestic violence affects the lives of both men and women, children and adults, at home and in the workplace, in a variety of workplace settings and occupations. It cuts across all strata of society, without respect to income, ethnicity, culture, gender, sexual preference, age or disability. According to a survey conducted by Corporate Alliance to End Partner violence, out of 1,200 surveyed workers, 21% reported they currently were or have been a victim of domestic violence.

HB2089 would allow workers who need time off to care for their health, go to court, get a protective order, see a doctor, or find a safe place to live. Survivors of domestic violence often report that their perpetrator's abuse results in injuries and health care issues that have a significant impact on their work attendance. Sustained injuries such as broken bones, bruises, muscle strains, pregnancy complications due to abuse can prevent survivors from being able to report to work or perform certain job duties.

Many survivors may not seek out healthcare professionals, solely, when safe leave is necessary; and healthcare professionals may not be trained to assess levels of violence and danger that require safe leave. We therefore request that the section on "Use of paid and sick and safe leave" include victim or witness advocate, the employee's attorney, or a member of the clergy, in addition to healthcare professional, who can provide reasonable documentation indicating that sick and safe leave is necessary. (Section 3, under the Use of paid sick and safe leave, line 4e1).

Studies have shown that a comprehensive workplace response to domestic violence, which includes paid sick and safe leave for employees who are surviving domestic violence will help make workers feels safe, secure and supported, which in turn increases worker productivity.

Thank you for your consideration of this important measure.

## yamashita2 ----Aulii

From:

mailinglist@capitol.hawaii.gov

Sent:

Tuesday, January 31, 2012 12:39 AM

To:

LABtestimony

Cc:

annfreed@hotmail.com

Subject:

Testimony for HB2089 on 1/31/2012 9:00:00 AM



Testimony for LAB 1/31/2012 9:00:00 AM HB2089

Conference room: 309

Testifier position: Support Testifier will be present: No Submitted by: Ann S Freed

Organization: Hawai`i Women's Coalition

E-mail: <a href="mailto:annfreed@hotmail.com">annfreed@hotmail.com</a>

Submitted on: 1/31/2012

#### Comments:

The Hawai`i Women's Coalition is in strong support of this important measure and agrees with the testimony submitted by the Hawai`i State Coalition Against Domestic Violence.