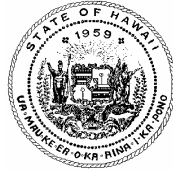


SB2507



STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

February 6, 2012

**TESTIMONY TO THE
SENATE COMMITTEE ON JUDICIARY AND LABOR**

For Hearing on Thursday, February 9, 2012
9:30 A.M., Conference Room 016

BY

BARBARA A. KRIEG
INTERIM DIRECTOR

**Senate Bill 2507
Relating to Health**

TO CHAIRPERSON HEE AND MEMBERS OF THE COMMITTEE:

S.B. 2507 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.



Testimony to the Senate Committee on Judiciary & Labor

Thursday, February 9, 2012

9:30 a.m.

State Capitol, Room 016

RE: S.B. 2507, Relating to Health

Good morning Chair Hee, Vice Chair Shimabukuro, and members of the committee:

My name is Gladys Quinto Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, BIA-Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii is **strongly opposed** to S.B. 2507, which proposes to require 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 (i.e. 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 direct and indirect costs. This is another mandate placed on businesses among others that already exist.

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.

S.B. 2507 does not allow employers to verify whether the employee is taking “sick and safe leave” for the first three (3) days of absence. This bill prohibits employers from requesting 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,

Rep. McKelvey, Chair
Economic Development & Business
February 9, 2012
HB 2089 HD1

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 would be unfortunate and devastating for Hawaii's economic recovery.

Small businesses are especially vulnerable to any increase in costs, especially those who operate on low margins. 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.

For the foregoing reasons, BIA-Hawaii is **strongly opposed** to H.B. 2434.

Thank you for the opportunity to share with you our views.



**Testimony to the Senate Committee on Judiciary and Labor
Thursday, February 9, 2012
9:30 a.m.
State Capitol - Conference Room 016**

RE: SENATE BILL NO. 2507 RELATING TO HEALTH

Chair Hee, Vice Chair Shimabukuro, 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 Senate Bill No. 2507 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 who is ill, needs medical care, or is a victim of domestic violence, sexual assault, or stalking. Essentially, this measure will apply to many small businesses with less than 10 employees that do not have a sick leave policy.

While we understand the concerns raised in this measure, 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 their 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. Furthermore, in order to compete for a productive workforce, employers provide attractive incentives to recruit and retain employees, which include sick leave and other generous benefits.

However, this measure forces employers to a "one-size-fits-all" approach, which will hinder an employer's flexibility in providing this benefit and result in additional costs, direct and indirect. This may not be best-suited for different industries with varying workforce needs. It will be another mandate placed on businesses among others that already exist.

Small businesses and non-profits 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.

For example, let’s take an employer in the retail industry that has nine employees that take 40 hours each of paid sick leave each year. According to DLIR’s [Occupational Employment and Wages in Hawaii 2010 report](#), the mean wage for a retail salesperson was \$12.83 in 2010. This means that a small business would have to designate \$4,617 ($\$12.83 \times 40 \times 9$) each year to comply with this law. Add this burden to the already higher costs employers must bear with increased UI taxes, increasing health care premiums, increased operating expenses (water, sewer, electricity), etc., the cost of running a business becomes more difficult leading to worse circumstances.

Furthermore, this measure may hurt employees that the bill is designed to help the most—those in the entry-level or minimum wage earners. Because the minimum wage sets an artificial wage floor, many employers will not be able to lower the wage to offset the increased costs of mandated benefits. Therefore, this could lead to less jobs and a higher unemployment rate.

Also, the bill does not have a minimum-use requirement. The language states that,

“Accrued sick and safe leave may be used in smaller than hourly increments or the smallest increment that the employer's payroll system uses to account for absences or use of other time.”

This section could be interpreted that employees could realistically take paid sick days piecemeal, hour-by-hour, until their allocated time is used up. This will be difficult for businesses, especially small ones, due to the instability and the lack of the ability to track employee hours and locations in order to comply with the mandate.

Moreover, for employers that already provide the benefit, this measure adds another layer of administrative burden because they would have to substantially change their current policies to achieve compliance. Many small businesses do not have the human resources capacity or additional resources to keep up with the regulatory requirements.

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.

An economic impact and cost-benefit analysis of this bill needs to be conducted before this mandate is considered. States who have enacted or are actively trying to adopt similar type of legislation conducted various studies which showed that a small business may see several hundred dollars per year in direct costs, and even more for larger companies. In New York City, the estimate was at 48 cents on average per employee per hour. This does not include the costs of other benefits. In Wisconsin, the estimate was \$60 million in additional Wage costs (based on

a \$15.64 median wage). In Denver, one study showed it would cost approximately \$1,000 a year per employee for a small business. Additional costs, direct and indirect, include: employment, bookkeeping, compliance, economic and business, etc. Although the results are based on different populations, number of businesses, etc., we can safely assume that a bill, such as SB 2507, will have a significant impact on business.

Hawaii is in a global competition for business investment and job creation. 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 these 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.

The Twenty-Sixth Legislature
Regular Session of 2012

THE SENATE

Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair
State Capitol, Conference Room 016
Thursday, February 9, 2012; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 2507
RELATING TO HEALTH**

The ILWU Local 142 supports the intent of S.B. 2507, 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%), waiting period (seven days), and lack of coverage for family leave. S.B. 2507 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 S.B. 2507 for further discussion and clarification. Thank you for the opportunity to share our views and concerns.

From: bob.hester@hyatt.com
To: [JDLTestimony](#)
Subject: SB 2507 Sick & Safe Leave Proposal
Date: Tuesday, February 07, 2012 8:07:28 AM

Aloha,

Thank you for the opportunity to provide feedback on this proposal before its voted on.

SB 2507 is discriminatory in nature and it violates the National Labor Relations Act by forcing the way employers administer their sick leave policy without being able to bargain with the union. The proposed language does not take into account the type of sick language already established between employers and unions nor does it consider the number of sick days offered to employees.

This type of language passed without obtaining feedback from employers in the private sector will have tremendous impact on productivity and system abuse.

If an employee was truly ill that requires a lengthy leave of absence there are laws passed to protect the employee today...ADA, FMLA, HFLA.

I encourage you to repeal SB2507.

Warm Regards,

Bob Hester
Director of Human Resources
Hyatt Regency Waikiki Beach Resort & Spa
2424 Kalakaua Avenue
Honolulu, Hawaii 96815-3289 USA
Tel: 808-237-6190
Fax: 808-237-6199
E-Mail: bob.hester@hyatt.com

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GENERAL SERVICES AGENCY

OFFICE OF LABOR STANDARDS ENFORCEMENT

DONNA LEVITT, MANAGER



Written Testimony of Donna Levitt
Labor Standards Enforcement Officer
on S.B. 2507, Paid Sick and Safe Leave
Submitted to Committee on Judiciary and Labor
Hawaii State Senate
February 9, 2012

I am pleased to submit testimony regarding our successful experience implementing the San Francisco Paid Sick Leave Ordinance (PSLO).

The Paid Sick Leave Ordinance was adopted by San Francisco voters on November 7, 2006, with 61% of voters voting in favor of the measure. The PSLO found that a large number of workers in San Francisco, particularly part-time employees and low income workers, did not have paid sick leave – or had an inadequate level of paid sick leave – available to them. The absence or inadequacy of paid sick leave among workers in San Francisco posed serious problems not only for affected workers but also their families, their employers, the health care system, and the community as a whole.

San Francisco was the first jurisdiction in the United States with a paid sick leave requirement. The ordinance took effect on February 5, 2007. *It requires all employers to provide paid sick leave to employees who perform work in San Francisco.*

While paid sick leave may have been a new concept to some employers and employees in San Francisco, we believe that the implementation of the law has been smooth. When the PSLO took effect in February of 2007, some employers initially reported that they needed additional time to adjust their payroll systems to ensure compliance with the new requirements. Since that time, we have heard relatively few complaints or problems from employers with respect to implementation of the law. Recent surveys conducted by the Institute for Women's Policy Research found that 2/3 of employers in San Francisco support the law.

I am not aware of any employer in San Francisco who has reduced staff or made any other significant changes in their business as a result of the sick leave ordinance. While San Francisco, like every community, has suffered in the recent recession, to my knowledge no employer has cited the sick leave requirement as a reason for closing or reducing their business operations in the city.

Our office completed an extensive public rulemaking process shortly after adoption of the law to provide guidelines on the PSLO requirements. OLSE also produced multilingual resources to explain the law to employers and employees. These materials are available for your review at www.sfgov.org/olse. In addition, the San Francisco Department of Public Health has written a letter to every restaurant owner in the city reminding them of requirements of the PSLO and the importance of providing sick leave to prevent communicable disease.

The Paid Sick Leave Ordinance is enforced by the City's Office of Labor Standards Enforcement (OLSE). The OLSE also enforces San Francisco's Minimum Wage Ordinance, another law of general

application that also covers all employees who perform work within the geographical boundaries of the City & County of San Francisco. The OLSE integrated enforcement of the Paid Sick Leave Ordinance into our ongoing work enforcing the Minimum Wage Ordinance, and hired no additional staff to enforce the Paid Sick Leave Ordinance.

Enforcement action is taken in response to complaints. From January 2007 through January 2012, OLSE received 265 complaints (an average of 4.3 complaints a month). Most cases resolve quite easily as they involve a relatively small amount of back wages in dispute. Ninety-five (95) of the complaints resulted in back wages, totaling approximately \$153,000, being recovered for paid sick leave that had been withheld. In eighty-four (85) cases, the claimant opted to have OLSE write a letter to the business reminding them of their obligations under the law, rather than to pursue a claim for back wages. Twenty (20) cases are pending and the remainder were administratively closed or resolved, in some cases after OLSE worked with the employer to revise company sick leave policies to come into compliance with the law or the complaint was found to lack merit.

By way of comparison, it might be of interest that according to the Quarterly Census of Employment and Wages, there are 557,000 people employed in San Francisco. This does not include the self-employed, only people for whom employers report wages or salaries.

Even with the challenges of being the country's first municipality to implement a local sick days ordinance, I again state that our implementation has been very smooth. Should Hawaii choose to implement a paid sick leave law, we would gladly make ourselves available to provide assistance based on our experience here in San Francisco.



Senator Clayton Hee, Chair
Senator Maile Shimabukuro, Vice Chair
Committee on Judiciary and Labor
State Capitol, Honolulu, Hawaii 96813

HEARING Thursday, February 09, 2012
 930 am
 Conference Room 016

RE **SB2507, Relating to Health**

Chair Hee, Vice Chair Shimabukuro, 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 SB2507, 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 does 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. SB2507 adds yet another costly benefit to the list, and it is Hawaii's small businesses that will experience the greatest hardship. It's important to note that in addition to the "sick leave" compensation the employer pays to the individual taking the sick leave, the employer most likely has to pay the same compensation to another employee "filling in" for this individual.

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 SB2507. Thank you for the opportunity to comment on this measure.

Carol Pregill, President

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: breaking-the-silence@hotmail.com
Subject: Testimony for SB2507 on 2/9/2012 9:30:00 AM
Date: Monday, February 06, 2012 11:32:49 AM

Testimony for JDL 2/9/2012 9:30:00 AM SB2507

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Dara Carlin, M.A.
Organization: Individual
E-mail: breaking-the-silence@hotmail.com
Submitted on: 2/6/2012

Comments:
Good Morning Senators ~

Having a job simply means an income for the majority of us but for domestic violence victims, employment can mean the difference between remaining a victim or turning into a survivor. Without stable and secure employment, the odds are against a victim-survivor for her safety, freedom, security and success.

Although abusers are prohibited from having sole or joint custody of the children when HRS 571-46(9) is ignored or not applied, a DV survivor is more likely to lose custody of her children because unemployment or "trouble at work" makes her look less likely in the eyes of the court to provide and care for her children.

Abusers know all this which is why they devote a lot of time, energy and effort to disrupt and/or derail a victim-survivor's job or career. Reliable employment helps victims pave a path out and away while ensuring a survivor's resolve and ability to stay away once they've broken free.

Unfortunately DV takes a toll on the workplace when a victim-survivor is unable to show up or show up on time for whatever related reasons and in some instances, when an employer learns of the victim's DV status often her employment status suffers as a result; formerly excellent employees suddenly become scrutinized post DV disclosure with unsatisfactory performance reviews, excessive unexcused lateness and absences documenting a path that leads to termination. SB2507 would help to stop such a process.

DV is an uncomfortable issue for EVERYONE (especially for the victim-survivors dealing with it) but personal discomfort should not lead to discriminatory employment or prejudicial hiring practices so please support DV victim-survivors by supporting this measure.

Thank you for this opportunity to provide testimony in support of this measure.



Written Testimony of Debra L. Ness
President, National Partnership for Women & Families
on S.B. 2507, Paid Sick and Safe Leave

Submitted to Committee on Judiciary and Labor
Hawaii State Senate
February 9, 2012

I am pleased to submit testimony IN SUPPORT of S.B. 2507, a bill to provide Hawaii's workers with access to earned paid sick and safe leave. S.B. 2507 is a companion to H.B. 2089, which the House Committee on Labor & Public Employment passed with amendments on January 31, 2012. I urge the Senate Committee to adopt S.B. 2507 as amended by the language in H.B. 2089 H.D. 1.

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.

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. We are proud to work with public officials and community groups across the nation to provide public education about the need for common-sense policies such as paid sick days.

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 important 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 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,³ 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.⁴ 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.⁵

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.⁶ Women are now the sole or co-breadwinners in nearly two-thirds of U.S. households.⁷ 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 turn 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

¹ 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>

² 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>

³ 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/empst.t12.htm>

⁴ 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>

⁵ 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>

⁶ Kaiser Family Foundation. (2003, April). *Women, Work and Family Health: A Balancing Act* (p. 2). Retrieved 25 February 2011, from

http://paysickdays.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

an emergency room because of their inability to take time off of work,⁸ and parents without paid sick days are *five times* more likely to take a child or family member to an emergency room.⁹ 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.¹⁰

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.¹¹ 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,¹² and nearly two-thirds of restaurant workers report having worked sick,¹³ potentially leading to the spread of contagious illnesses to customers. Similarly, just 27 percent of child care workers have paid sick days,¹⁴ 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,¹⁵ causing 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.¹⁶ 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.¹⁷ H1N1 lasted longer in private sector workplaces than in public sector workplaces during those three months — a

⁸ See note 5, p. 40.

⁹ Ibid. (Unpublished calculations).

¹⁰ 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>

¹¹ See note 5, p. 39.

¹² 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

¹³ 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](http://www.rocunited.org/files/roc_servingwhilesick_v06%20(1).pdf)

¹⁴ See note 12, p. 3. Number applies to establishments with 15 or more employees.

¹⁵ Ibid, p. 8. Number applies to establishments with 15 or more employees.

¹⁶ 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

¹⁷ 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>

difference that researchers attribute to the lack of paid sick days in the private sector.¹⁸ Business productivity and efficiency suffer when illness overcomes the workplace.

S.B. 2507: 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. S.B. 2507, as amended to reflect the language in H.B. 2089 H.D. 1, would be 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.

Paid sick days laws in San Francisco and Washington, D.C., in place since 2007 and 2008, respectively, demonstrate the dramatic impact that a paid sick days standard has for workers without burdening business. 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.¹⁹ 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.²⁰ 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.²¹ 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.²²

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.²³ And two-thirds of businesses now say they support the law.²⁴ 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.²⁵ 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.”²⁶

¹⁸ Ibid, p. 8.

¹⁹ 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>

²⁰ Ibid, p. 11.

²¹ 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 http://www.drummajorinstitute.org/pdfs/Paid_Sick_Leave_Does_Not_Harm.pdf

²² Ibid, p. 7.

²³ See note 19, p. 17.

²⁴ Ibid, p. 22.

²⁵ Ibid, p. 9.

²⁶ 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

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 Senate to pass S.B. 2057, as amended to reflect the language in H.B. 2089 H.D. 1, to protect the economic security of Hawaii's working families and the health and well-being of its residents.



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)

1050 Bishop St. Box 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

Testimony to the Senate Committee on Judiciary and Labor
Thursday, February 9, 2012
9:30 a.m.
State Capitol - Conference Room 016

RE: SENATE BILL NO. 2507 RELATING TO HEALTH

In Opposition.

Chair Hee, Vice Chair Shimabukuro, and members of the committee:

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.

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 Hawaii Food Industry Association respectfully requests that this measure be held.

Mahalo for the opportunity to provide this testimony.

**Testimony to the Senate Committee on Judiciary and Labor
Thursday, February 9, 2012
9:30 a.m.
State Capitol - Conference Room 016**

RE: SENATE BILL NO. 2507 RELATING TO HEALTH

Chair Hee, Vice Chair Shimabukuro, and members of the committee:

My name is Scott Meichtry and I am the Vice President of Hawaii Human Resources (“HiHR”). I am here to state HiHR’s opposition to Senate Bill No. 2507 relating to Health.

As an HR resource for over 250 small to medium businesses in Hawaii, our company works on behalf of our clients, 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 fewer 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.

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, HiHR respectfully requests that this measure be held.

Very Respectfully Submitted,



Scott Meichtry, VP
Hawaii Human Resources, Inc.





HAWAII STATE COALITION AGAINST DOMESTIC VIOLENCE

To: The Honorable Clayton Hee, Chair
The Honorable Maile Shimabukuro, Vice-Chair
SENATE COMMITTEE ON JUDICIARY AND LABOR

From: Veronika Geronimo, Executive Director
Hawaii State Coalition Against Domestic Violence

RE: SB2507 - SUPPORT

Hearing Date and Time: 02-09-12 9:30AM

Good morning Chair Hee, Vice-Chair Shimabukuro, and members of Senate Committee on Judiciary and Labor. The Hawai'i State Coalition Against Domestic Violence submits the following testimony in support of SB2507. 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.

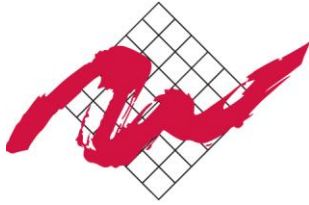
Domestic violence affects many employees. Although studies show that the majority of survivors are female (1 in four women, whereas 1 in 13 men, are survivors), domestic violence affects the lives of both men and women, children and adults, at home and in the workplace, in a variety of workplace settings 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.



INSTITUTE FOR WOMEN'S POLICY RESEARCH
1200 18TH STREET NW, SUITE 301 ♦ WASHINGTON, DC 20036

**Written Testimony of Kevin Miller
Senior Research Associate, Institute for Women's Policy Research
on S.B. 2507, Paid Sick and Safe Leave**

**Submitted to Committee on Judiciary and Labor
Hawaii State Senate
February 9, 2012**

The Institute for Women's Policy Research has been conducting research, data and policy analysis, and cost-benefit estimates regarding paid sick days for almost a decade, since the issue first drew the attention of policymakers. Our research has been presented to the U.S. Congress, state legislatures, and local governments. Our cost-benefit analyses and other research have contributed to the adoption of paid sick days standards in San Francisco, the District of Columbia, Seattle, and the state of Connecticut, and we continue to inform policy on paid leave issues across the country.

Over 174,000 private-sector workers in Hawaii do not have paid sick days, or about 43 percent of the private sector workforce.¹ Of those employees who do benefit from a paid sick days policy, many cannot utilize paid sick days to care for a child or other family member, while others may fear retaliation for using leave. A recent survey conducted by the National Opinion Research Center on behalf of the Public Welfare Foundation found that of workers who lack paid sick days, 68% had been to work while sick with a contagious illness such as the flu.² When employees go to work sick, a phenomenon known as presenteeism, a variety of risks and costs are created. When workers are able to utilize paid sick leave to address their own health issues and those of their family members, a variety of benefits are realized.

Costs and Benefits for Businesses and the Economy

Employees who are able to take paid sick days will occasionally do so, costing employers money for wages, benefits, administrative costs, and in some cases, replacement workers. Costs are likely to be lower than expected by some employers, however: workers who benefit from a paid sick days policy are estimated by IWPR to use an average of between 2.5 and 3 paid sick days per year. This means that on average, under the proposed paid sick days law here in Hawaii, employees would use far less paid sick leave than the 5 or 9 paid sick days that the proposed law would allow employees to accrue; some workers would use no sick days in a given year, while others would use more than average.

¹ Miller, Kevin and Claudia Williams. 2011. Access to Paid Sick Days in the States, 2010. Institute for Women's Policy Research. <http://www.iwpr.org/publications/pubs/access-to-paid-sick-days-in-the-states-2010>

² Smith, Tom W. 2008. "Paid Sick Days: A Basic Labor Standard for the 21st Century." National Opinion Research Center and the Public Welfare Foundation.

The primary benefit to employers from a paid sick days policy is reduced turnover costs. Employees with paid sick leave are less likely to voluntarily leave an employer, and having paid sick days reduces involuntary turnover by protecting workers from being fired for unauthorized work absences when sick or caring for a sick family member.³

The costs of replacing an employee are substantial. Estimates range from 1.5 times an employee's annual salary for a middle manager⁴ to over \$6,000 for a retail worker making \$7 an hour.⁵ In addition to the cost of recruiting a new employee, the low productivity of new hires, drains on the productivity of colleagues and supervisors, human resources processing time, training, and the lost productivity between the departure of an employee and the hiring of a replacement are all real costs to employers.⁶ Even in supposed low-skill jobs such as retail, new employees may result in a decrease in sales as they learn about the employer's products or services.⁷

IWPR has not yet conducted a detailed cost-benefit analysis for businesses in Hawaii. In our 2010 cost-benefit analysis for business in the state of Connecticut, which recently passed the first statewide paid sick days law, we estimated annual costs to businesses equivalent to about 19 cents per hour per worker receiving new leave, but benefits to businesses equivalent to 35 cents per hour per worker receiving new leave, with benefits largely arising from reduced turnover.⁸

High quality jobs that keep workers in stable employment situations bring broader benefits to the economy as a whole by reducing the need for publically-provided benefits, maintaining a stable tax base, and sustaining workers' ability to purchase goods and services.

The Impact of the Paid Sick Days Law in San Francisco

Last year IWPR completed an analysis of public employment data as well as an in-depth evaluation of the San Francisco experience with paid sick days, an evaluation that involved surveys of more than 700 employers and approximately 1,200 employees.

Employment data show that since passage of the paid sick days law in San Francisco, the city of San Francisco showed stronger job growth than surrounding counties. In the years immediately following passage, job growth was faster in San Francisco than in surrounding counties, and during the recent recession, San Francisco lost fewer jobs than surrounding counties.⁹

³ Earle, Alison and S. Jody Heymann. 2002. "What Causes Job Loss among Former Welfare Recipients: The Role of Family Health Problems." *Journal of the American Medical Women's Association* 57 (Winter): 5-10.

⁴ Phillips, Douglas J. 1990. "The Price Tag on Turnover." *Personnel Journal* 216 (12): 58-61.

⁵ Johnson, Walter E. and Dan M. Tratensek. 2001. "Employee Turnover." *Do-It-Yourself Retailing* 180 (6).

⁶ Phillips 1990.

⁷ Johnson and Tratensek 2001.

⁸ Miller, Kevin and Claudia Williams. 2010. Valuing Good Health in Connecticut: The Costs and Benefits of Paid Sick Days. Institute for Women's Policy Research. <http://www.iwpr.org/publications/pubs/valuing-good-health-in-connecticut-the-costs-and-benefits-of-paid-sick-days>

⁹ Miller, Kevin and Sarah Towne. 2011. San Francisco Employment Growth Remains Stronger with Paid Sick Days Than Surrounding Counties. Institute for Women's Policy Research. <http://www.iwpr.org/publications/pubs/san-francisco-employment-growth-remains-stronger-with-paid-sick-days-law-than-surrounding-counties>

In IWPR's survey of employers, we found that more than two-thirds of San Francisco employers are currently supportive of the paid sick days law. Although knowledge of the law remains imperfect across employers and employees, the law had a significant effect: 65 percent of employers reported provision of paid sick days prior to the implementation of the law, while 82 percent report provision of sick days today, for a 17 percentage point increase in the provision of paid sick days.

Only 14 percent of employers reported negative profitability effects, and that figure may be declining over time. Part of the reason paid sick days had relatively minor effects on costs is that few employers (less than 10 percent) responded by hiring replacement workers when employees utilized the law's provisions.

The major reason the law had only a minimal impact on costs is that workers do not use all of the sick days available. The median employee with sick days used only 3 days per year out of the 9 days available to most workers. One quarter of employees with access to paid sick days used no sick days; that is, zero days in an entire year. Given the cap on accrual in Hawaii's proposed law, this means that employers will never pay for many days the law provides, because employees only use the days when needed.

Despite low average levels of paid sick days usage among workers in San Francisco, the law has proven a significant benefit to many workers. Coverage of employees in San Francisco's Accommodation and Food Service industry increased from only 24 percent to 62 percent following implementation of the law. Over half of employees with access to leave reported a new benefit from San Francisco's law, particularly greater employer support for staying at home when they or a family member is ill.

Public Health Benefits

Employers, their workers, and workers' families are not the only beneficiaries of paid sick days policies. While sick workers can infect their coworkers, they can also sicken customers or patients, a particularly relevant concern in the food service, hospitality, and medical industries. Workers in food service in particular have a very low rate of paid sick days coverage, with 77% lacking paid sick days.¹⁰

Providing workers in these industries with paid sick days would reduce presenteeism, resulting in a reduction in the risk of sick workers spreading infections to their coworkers and customers. Preventing the spread of disease is crucial for businesses where workers handle food or interact closely with customers. In one dramatic example of the risks of presenteeism, a Chipotle restaurant in Kent, Ohio, shut down for a day after an outbreak of norovirus, also called the stomach flu. Five hundred customers and workers were infected after a sick employee came in to work. It is estimated that the outbreak cost the community between \$100,000 and \$305,000 in

¹⁰ Williams, Claudia, Robert Drago, and Kevin Miller. 2011. 44 Million U.S. Workers Lacked Paid Sick Days in 2010. Institute for Women's Policy Research. <http://www.iwpr.org/publications/pubs/44-million-u.s.-workers-lacked-paid-sick-days-in-2010-77-percent-of-food-service-workers-lacked-access>

lost productivity and other costs, in addition to the income lost by Chipotle during the restaurant's daylong closing.¹¹

The spread of disease is also a serious concern in sectors other than food service and hospitality. Workers in schools and child care centers interact closely with children throughout the day, and presenteeism in these settings puts children at risk for contracting contagious diseases and potentially spreading infection to their families. Parents without paid sick days are more likely to send their children to school with a contagious illness, placing other students and school staff at risk, negatively impacting school budgets and learning environments.¹²

In addition to disease prevention stemming from reduced presenteeism at work and school, paid sick days allow workers and their families to address medical needs more regularly and promptly than would otherwise be the case. IWPR research shows that, after statistically accounting for the effects of age, race, education, income, gender, and the presence of chronic conditions, access to paid sick days is associated with better general health, lower likelihood of delaying medical care, and lower usage of hospital emergency departments.¹³

Because emergency department visits are more expensive than primary care, greater use of emergency room visits comes with a bigger price tag: in total IWPR estimates that if access to paid sick days were universal in the United States, Americans would make 1.3 million fewer emergency department visits per year, resulting in health care cost savings of \$1.1 billion annually, over \$500 million of which is currently paid by public insurance programs such as Medicaid, the Children's Health Insurance Program, and Veterans Affairs services.¹⁴

Conclusion

IWPR research has detailed some of the benefits of paid sick days and has repeatedly found that the benefits to businesses outweigh the costs of implementation. San Francisco's experience has shown that paid sick days laws can be implemented without great difficulty, and IWPR analysis suggests significant improvements in health and related cost savings for workers, families, communities, insurers, and the public.

¹¹ Hirsh, April. 2008. *Outbreak in Ohio: Cost of the 2008 Norovirus Incident in Kent*. Policy Matters Ohio: Cleveland, Ohio. <http://www.policymattersohio.org/pdf/OutbreakInOhio2008.pdf>

¹² Towne, Sarah, Rhiana Gunn-Wright, Kevin Miller, and Barbara Gault. 2011. Denver Paid Sick Days Would Promote Children's School Success. Institute for Women's Policy Research. <http://www.iwpr.org/publications/pubs/denver-paid-sick-days-would-promote-children2019s-school-success>

¹³ Miller, Kevin, Claudia Williams, and Youngmin Yi. 2011. Paid Sick Days and Health: Cost Savings from Reduced Emergency Department Visits. Institute for Women's Policy Research. <http://www.iwpr.org/publications/pubs/paid-sick-days-and-health-cost-savings-from-reduced-emergency-department-visits>

¹⁴ Ibid.



Before the House Committee on Judiciary and Labor

DATE: Thursday, February 9, 2012

TIME: 9:30 A.M.

PLACE: Conference Room 016

Re: SB 2507 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.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: nimr@epihawaii.com
Subject: Testimony for SB2507 on 2/9/2012 9:30:00 AM
Date: Tuesday, February 07, 2012 11:01:23 AM

Testimony for JDL 2/9/2012 9:30:00 AM SB2507

Conference room: 016
Testifier position: Oppose
Testifier will be present: No
Submitted by: Nimr Tamimi
Organization: Individual
E-mail: nimr@epihawaii.com
Submitted on: 2/7/2012

Comments:

Please do not continue with this bill, as a small business owner it is very difficult to make ends meet already in this economy. all of our team members are critical to our operation, not having one available, having to pay that person and having to bring in another person to cover for that person will increase our cost of business and create a hardship on us. this may cause operations like ours to choose not to hire employees and reduce the size of our operations so we would not need any help. we already work long hours for little return. this would just make our hours longer and our returns smaller. 80% of the Big Island work force works for small business. Small business is the foundation of a sustainable economy. please help the mom and pop companies in our community, please stop this bill from moving forward.

thank you very much for your time, efforts and understanding.

Testimony IN SUPPORT of S.B. 2507

February 7, 2012

My name is Jennifer Piallat and I am the owner of Zazie, a French bistro in San Francisco. Having lived with and flourished under San Francisco's paid sick leave ordinance for four years, I am a strong supporter of paid sick days standards. That's why I support urge the Senate committee to adopt S.B. 2507 as amended by the language in H.B. 2089 H.D. 1.

Paid sick days are one of the many ways I try support the health and well being of my employees. I also offer health insurance for every employee who has worked for me for over three months, a 401K with a 4% match, and paid family leave.

Before San Francisco passed a paid sick days law, I did not offer paid sick days to my employees because I was worried about employee abuse. When I initially calculated the potential cost, it was under the assumption that every employee would take all of the days off that they had earned. When I began offering paid sick days in compliance with the law, I was pleasantly surprised. My employees have used paid sick days responsibly and have not taken advantage of them; they have used the time only when they have an actual medical need, which is less than the total amount of time that they accrue.

Zazie is actually more profitable because of the investment I make in my employees. When all is said and done, I end up saving in labor costs due to the lack of turnover and training costs and my workers are more productive. Because of our exceptional benefits program, the average tenure of my staff is over five years, which is remarkable in this transitory business. My staff is skilled and efficient, thereby reducing the number of staff members I need to work each shift, which reduces payroll expense. My workforce is healthier overall because workers no longer work while sick and infect other workers, which was a drain on my business and even forced us to close on occasion. With the paid sick leave ordinance in place, workers feel more comfortable staying home when sick.

As a business who had trepidation about offering paid sick days at first, I can tell you that my concerns did not come to pass. Paid sick days have helped my workforce be healthy and productive and have helped my bottom line. A paid sick days law is an important way that government policy can support the health and well being of both workers and businesses.

Thank you,



Jennifer Piallat, owner, Zazie Restaurant

www.zaziesf.com

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: rwhitmore@integraconsulting.us
Subject: Testimony for SB2507 on 2/9/2012 9:30:00 AM
Date: Tuesday, February 07, 2012 1:01:23 PM

Testimony for JDL 2/9/2012 9:30:00 AM SB2507

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Ron Whitmore
Organization: Integra Consulting
E-mail: rwhitmore@integraconsulting.us
Submitted on: 2/7/2012

Comments:

As a public employee who enjoys generous sick leave policies, a spouse and parent who has to juggle care of multiple family members, a small business owner, and a member of the Hawaii Island Chamber of Commerce, I support SB 2507 in principal. I believe that all employees have a right to a reasonable amount of paid sick leave.

However, I have some concerns about the legislation's applicability and potential burden to very small business owners with limited means. Specifically, I support amendments that exempt very small businesses (eg, with fewer than 10 employees) and that minimize the administrative burden on businesses.



**From the Desk of
The Rev. Samuel L. Domingo^o**

**FROM: REV. SAMUEL L DOMINGO, FACE OAHU PRESIDENT
TO: SENATE COMMITTEE ON JUDICIARY AND LABOR
FEBRUARY 9, 2012 9:30 AM
SB2507 RELATING TO HEALTH, PAID SICK AND SAFE LEAVE**

Aloha Chair Hee and members of the committee:

I write to support SB 2507. I wholeheartedly encourage the passage of this bill. The health of workers and their families is an important value that should be a high priority for employers. I believe that healthy workers who have the support of caring employers provide greater productivity for the company and helps to create a community we all want.

We, at FACE, are supportive of healthy workers, work places, healthy relationships between worker and employer, and ultimately, healthy communities.

I urge passage of SB 2507.

Mahalo,

Rev. Samuel L Domingo

*204 Ku'uhoa Place
Kailua, Hawai'i 96734*



**Testimony to the Senate Committee on Judiciary and Labor
Thursday, February 9, 2012
9:30 a.m.
State Capitol - Conference Room 016**

RE: SENATE BILL NO. 2507 RELATING TO HEALTH

Chair Hee, Vice Chair Shimabukuro, and members of the committee:

My name is Sean Knox and I am the President of Hawaii Employment Services, Inc. ("HiEmployment"). I am here to state HiEmployment's opposition to Senate Bill No. 2507 relating to Health.

As a Staffing and Employment resource for over 25 businesses in Hawaii, our company works on behalf of our clients, 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 fewer than 10 employees that do not have a sick leave policy.

Businesses generally offer paid leave (i.e. 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.





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, HiEmployment respectfully requests that this measure be held.

Very Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Sean Knox".

Sean Knox, President
Hawaii Employment Services, Inc.





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Honolulu, Hawaii 96826-2097
Telephone: (808) 941.0556
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Web site: www.hcul.org
Email: info@hcul.org



Testimony to the Senate Committee on Judiciary and Labor
Thursday, February 9, 2012

Testimony in Opposition to SB 2507, Relating to Health

To: The Honorable Clayton Hee, Vice Chair
The Honorable Maile Shimabukuro, Vice-Chair
Members of the Committee on Judiciary and Labor

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 81 Hawaii credit unions, representing approximately 811,000 credit union members across the state. We are opposed to SB 2507, Relating to Health.

Our primary concern is that this legislation may work against the best interest of employees who receive paid sick leave as an employee benefit. In today's challenging economic climate, it has become common practice to cut staffing and expenses "to the bone", thus the survival of any business depends largely on its employees being on the job. If offering paid sick leave to their employees becomes overly burdensome, the employer might opt to do away with this altogether.

The adoption of the recent Victim Leave Act requires employers to provide a minimum number of unpaid days off from work. Many employers also currently provide generous paid leave (sick, vacation, personal time, etc.) to its employees to utilize for these types of personal situations.

Thank you for the opportunity to provide comments.



SUISAN Company, Ltd.

1965 KAMEHAMEHA AVE. P.O. BOX 366 HILO, HAWAII 96720

PHONE: 808-935-8511

Testimony to the Senate Committee on Judiciary and Labor

Thursday February 9, 2012

9:30 am

State Capitol—Conference Room 016

Re: Senate Bill No. 2507 Relating to Health

Chairman Hee, Vice-Chair Shimabukuro, and members of the committee:

My name is Glenn Hashimoto, Executive Vice-President and General Manager of Suisan Company, Limited on the Big Island. We are a food distribution company servicing the hotels, restaurants, and supermarkets on the Big Island. I am submitting this testimony in opposition to Senate Bill No. 2507 relating to Health.

This bill will require employers to provide a minimum amount of sick and safe leave to employees to be used to care for themselves or a family member who is ill or a victim of domestic violence, sexual assault or stalking.

Suisan Company, Limited currently has 180 employees. The company already provides paid sick leave and intermittent leave to care for family members. We also recognize that employees occasionally require leave from work for personal reasons and we have extended accommodations to assist them.

This bill does not allow employers to verify whether the employee is taking sick and safe leave for the first 3 days of absence. This bill also prohibits employers from requiring reasonable documentation unless the sick and safe leave exceeds 3 consecutive days. Effectively, this bill penalizes the employer for verifying whether an employee is truly sick by requiring the employer to pay for the doctor's note. This opens too many opportunities for leave abuse.

The food business is a low margin business and passage of this type of measure places additional pressure on our operating margins. At a time when businesses like Suisan is working diligently to survive this current recession and provide for our employees' well-being at the same time, this measure will create additional costs and further hardships for many businesses like ours.

I respectfully request that Senate Bill 2507 be held. Thank you.



TESTIMONY OF THE PROGRESSIVE STATES NETWORK

ON THE FOLLOWING MEASURE:
S.B. NO. 2507, RELATING TO HEALTH.

BEFORE THE: Senate Committee on Judiciary and Labor

DATE: Thursday, February 9, 2012 TIME: 9:30am
LOCATION: State Capitol, Conference Room 016
TESTIFIER: Mr. Timothy Judson, Senior Policy Specialist
Progressive States Network

Chair Hee and Members of the Committee,

The Progressive States Network strongly supports S.B. 2507, which establishes the provision of paid sick leave as a basic labor standard. This legislation is an important economic stabilization measure, both for the economic security of Hawaiian families and for the development of a stable workforce.

Progressive States Network is a nationwide organization that engages and builds the capacity of state legislatures to advance public policy solutions that uphold America's promise to be a just and equitable democracy. There are few policies advancing in the states that embody that promise more meaningfully than those providing for paid sick leave.

Without this policy, employees are legally able to be terminated for missing work to recover from an illness; working parents routinely have to choose between staying home with their sick child and losing their job, or sending the child to school so that they can keep a roof over their head. In fact, one in six people surveyed say their family has experienced job loss for missing work due to short-term illness. With rates of long-term unemployment still well-exceeding historical levels, the consequences of losing one's job, through no fault of one's own, make the need for paid sick leave all the more acute. Because workers without paid sick leave are concentrated in retail, service, and other low-wage industries, the reality of missing a day's pay is enough of a deterrent.

Hawaii is not alone in stepping up to address this need. A growing number of local and state governments have already enacted paid sick days laws, including Seattle, San Francisco, Washington, DC, and, last year, the first state – Connecticut. This year, bills are already advancing in several more states and cities, including Massachusetts, Washington, and New York City. About fifteen other states and cities are considering bills, including Arizona, Iowa, Illinois, New York State, North Carolina, Minnesota, and Philadelphia.

The momentum we see on this policy is such that, ten years from now, it will seem as strange and disturbing that people could lose a job for taking care of a sick child as it does now thinking of the days before the minimum wage and child labor laws were adopted. In fact, the vast majority of people in the United States understand the value of this policy intuitively, so

much so that many are shocked to find out that paid sick leave is not already a requirement. Fully 86% of Americans surveyed believe that there should be laws guaranteeing a minimum number of paid sick days to all working people. This level of support is similar in each region of the country, and crosses all demographics and political affiliations.

The need for S.B. 2507 is even more acute in Hawaii than in other states. The high cost of living in the state makes the economic security provided by paid sick leave even more essential than in other parts of the nation. In addition, Hawaii's workforce is in the very industries in which workers have the least access to paid leave: service, tourism, and retail. As a result, Hawaii slightly trails the national average in access to paid sick leave, with 43% of workers lacking any access at all, compared to 42% nationally.

S.B. 2507 includes the following key provisions to address this problem:

- All workers covered by Hawaii's minimum wage law would be able to accrue paid leave time at a rate of one hour per thirty hours worked.
- The maximum amount of paid leave time workers can accrue is capped at different levels based on the size of the employer: seventy-two hours at businesses with ten or more employees; forty hours at businesses with fewer than ten employees.
- Employees would be entitled to use paid leave time for preventive care or recovery from illness, to care for a family member, or for reasons related to domestic violence, sexual assault, or stalking.
- Employers that already provide paid leave time at these levels would not have to change anything, so long as employees are entitled to use the paid leave time for the same purposes.
- Employers would be barred from penalizing employees for the use of paid sick leave.

Because S.B. 2507 is a new standard, it is understandable that employers are apprehensive. While it is important to implement the policy in a way that helps employers to adapt, concerns about negative impacts resulting from paid sick leave are unwarranted. In fact, there is ample evidence that, once implemented, paid sick leave is a cost-effective policy for businesses of all sizes. Paid sick leave decreases employee turnover rates, while raising staff productivity.

The policy has the longest track record San Francisco, which implemented the nation's first paid sick days law in 2007. Business advocacy groups who initially opposed the city's paid sick days law now say that their concerns were largely unfounded. According to the city's Chamber of Commerce, despite initial apprehensions about the law, "It has not been a huge issue that we have heard from our members about." Concerns about absenteeism and employee abuse of paid sick days simply have not panned out. The Golden Gate Restaurant Association now characterizes the law as the "best public policy for the least cost," noting the public health benefits in reducing the spread of illness.

There are a number of reasons that predictions of negative business impacts have not panned out. Most significantly, the cost of providing the benefit is quite small, and in many cases negligible. First, because offering paid leave means compensating workers for time in which they would not be as productive at work anyway. Secondly, because the actual payroll costs

are quite small. If employees utilize the maximum number of paid sick days, larger employers who must provide up to nine days per year would see a possible increase of 3.5% in an employee's annual compensation; for smaller employers, who are limited to providing five days, the possible increase would be less than 2%.

Similarly, it is sometimes claimed that sick leave also requires employers to hire temporary workers to cover for sick employees. Studies of employer experience of paid sick days policies shows quite the contrary: employers generally find ways to make do by having other employees cover any essential duties until the sick worker returns. While there is a temporary reduction in productivity, overall productivity does not suffer: healthy employees are not made sick by ill employees reporting to work; and sick employees recover more quickly by taking the time they need.

In addition, workers tend not to take all of the sick days to which they are entitled, preserving them for a rainy day. Employees with paid sick leave take on average about four days per year. By comparison, employees without paid sick leave miss about three days per year due to illness. This has borne out in places where paid sick leave laws have already been implemented.

I appreciate the opportunity to present this testimony to the committee, and I thank you for your consideration.

Respectfully submitted,



Timothy Judson
Senior Policy Specialist

From: vincent.brunetti@hyatt.com
To: [JDLTestimony](#)
Subject: Testimony - SB2507
Date: Tuesday, February 07, 2012 1:06:18 PM
Attachments: [image001.png](#)
[image002.png](#)
[image004.png](#)

Aloha,

Thank you for the opportunity to provide feedback on this proposal before its voted on.

SB 2507 is discriminatory in nature and it violates the National Labor Relations Act by forcing the way employers administer their sick leave policy without being able to bargain with the union. The proposed language does not take into account the type of sick language already established between employers and unions nor does it consider the number of sick days offered to employees and I believe this must be considered.

This type of language passed without obtaining feedback from employers in the private sector will have tremendous impact on productivity and system abuse. If an employee was truly ill that requires a lengthy leave of absence there are laws passed to protect the employee today...ADA, FMLA, HFLA. My overall feedback is to repeal SB2507.

Mahalo for your consideration.

VINCENT BRUNETTI
Executive Assistant Manager - Food & Beverage Director
Hyatt Regency Waikiki Beach Resort and Spa
2424 Kalakaua Avenue
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**Testimony to the Senate Committee on Judiciary and Labor
Thursday, February 9, 2012
9:30 a.m.
State Capitol - Conference Room 016**

RE: SENATE BILL NO. 2507 RELATING TO HEALTH

Chair Hee, Vice Chair Shimabukuro, and members of the committee:

My name is Wayne Tomita and I am the Chief Financial Officer of Hawaii Accounting, Inc. ("HiAccounting"). I am here to state HiAccounting's opposition to Senate Bill No. 2507 relating to Health.

As an Accounting resource for numerous businesses in Hawaii, our company works on behalf of our clients, 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 fewer than 10 employees that do not have a sick leave policy.

Businesses generally offer paid leave (i.e. 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.





HiAccounting

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, HiAccounting respectfully requests that this measure be held.

Very Respectfully Submitted,

Wayne Tomita, CFO
Hawaii Accounting, Inc.



Hawaii Accounting, Inc.

Waterfront Plaza, 500 Ala Moana Blvd, Suite 2-302, Honolulu, HI 96813
P 808.695.2222 F 808.695.2330 W www.hi-accounting.com

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: tony@rmasalesco.com
Subject: Testimony for SB2507 on 2/9/2012 9:30:00 AM
Date: Wednesday, February 08, 2012 8:40:56 AM

Testimony for JDL 2/9/2012 9:30:00 AM SB2507

Conference room: 016
Testifier position: Oppose
Testifier will be present: No
Submitted by: Anthony Borge
Organization: RMA Sales
E-mail: tony@rmasalesco.com
Submitted on: 2/8/2012

Comments:

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: darrel_tajima@deanfoods.com
Subject: Testimony for SB2507 on 2/9/2012 9:30:00 AM
Date: Wednesday, February 08, 2012 10:28:17 AM

Testimony for JDL 2/9/2012 9:30:00 AM SB2507

Conference room: 016
Testifier position: Oppose
Testifier will be present: No
Submitted by: Darrel Tajima
Organization: Individual
E-mail: darrel_tajima@deanfoods.com
Submitted on: 2/8/2012

Comments:
Testimony to the Senate Committee on Judiciary and Labor
Thursday, February 9, 2012
9:30 a.m.
State Capitol - Conference Room 016

RE: SENATE BILL NO. 2507 RELATING TO HEALTH

In Opposition.

Chair Hee, Vice Chair Shimabukuro, and members of the committee:

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.

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. This is a modification to the collective bargaining agreements that we have.

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, I respectfully request that this measure be held.

Mahalo for the opportunity to provide this testimony.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: vsf723@yahoo.com
Subject: Testimony for SB2507 on 2/9/2012 9:30:00 AM
Date: Wednesday, February 08, 2012 7:52:56 AM
Attachments: [SB2507.doc](#)

Testimony for JDL 2/9/2012 9:30:00 AM SB2507

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Karen Thompson
Organization: Individual
E-mail: vsf723@yahoo.com
Submitted on: 2/8/2012

Comments:

Hawaii's workers deserve paid sick leave. An example of a profession that is not currently provided with paid sick leave is home health care workers. Many Hawaii families rely on home health workers to care for their elderly and for those family members with illnesses. The services that these home health care workers provide are essential to the health and wellbeing of our loved ones in need, and are vital to our local family dynamics. These skilled health care workers deserve paid sick leave, both from the standpoint of fairness to these professionals who are invaluable to our families, and also from the standpoint of the health of the elderly and the ill who they care for—without paid sick leave, a home healthcare worker who is sick may be forced to continue to work and care for those who are especially vulnerable to contagious diseases. Please grant Hawaii's workers the paid sick leave that they deserve.

From: mailinglist@capitol.hawaii.gov
To: [JDLTestimony](#)
Cc: pkaneshige@hawaiiublicpolicy.com
Subject: Testimony for SB2507 on 2/9/2012 9:30:00 AM
Date: Tuesday, February 07, 2012 9:23:08 AM
Attachments: [SHRM Hawaii SB2507 Sick and Safe Leave - Oppose 020912.pdf](#)

Testimony for JDL 2/9/2012 9:30:00 AM SB2507

Conference room: 016
Testifier position: Oppose
Testifier will be present: No
Submitted by: Ryan Kusumoto & Lisa Kracher
Organization: SHRM Hawaii
E-mail: pkaneshige@hawaiiublicpolicy.com
Submitted on: 2/7/2012

Comments:



99-134 Waiua Way • Aiea, Hawaii 96701
Phone: 808-487-9041 • Fax: 808-488-6481
Island Toll Free: 1-800-644-2882
E-mail: sales@rmasalesco.com
Website: www.rmasalesco.com

February 8, 2012

Testimony to the Senate Committee on Judiciary & Labor

Thursday, February 9, 2012

9:30 a.m.

State Capitol, Room 016

RE: S.B. 2507, Relating to Health

Dear Chair Hee, Vice Chair Shimabukuro, and members of the committee:

My name Anthony B. Borge, General Manager of RMA Sales, a locally owned and operated kamaiana business since 1961. We are also a member of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates.

We are **opposed** to **S.B. 2507 Relating to Health**, which proposes to require 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 (i.e. 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 direct and indirect costs. This is another mandate placed on businesses among others that already exist.

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.

S.B. 2507 does not allow employers to verify whether the employee is taking "sick and safe leave" for the first three (3) days of absence. This bill prohibits employers from requesting 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

S.B. 2507, Relating to Health

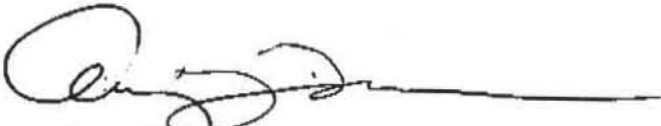
and entrepreneurial activity, as well as deter business investment in our State. During this uncertain state of the economy, the passage of this measure would be unfortunate and devastating for Hawaii's economic recovery.

Small businesses are especially vulnerable to any increase in costs, especially those who operate on low margins. 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.

For the foregoing reasons, RMA Sales is **opposed** to **S.B. 2507**.

Thank you.

Respectively submitted,



Anthony B. Berge