

HAWAII  
STATE  
COMMISSION  
ON THE  
STATUS  
OF  
WOMEN



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LESLIE WILKINS

COMMISSIONERS:

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Executive Director  
CATHY BETTS, JD

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January 24, 2014

To: Representative Mark M. Nakashima, Chair  
Representative Kyle T. Yamashita, Vice Chair  
Members of the House Committee on Labor and Public Employment

From: Cathy Betts, Executive Director, Hawaii State Commission on the Status of Women

Re: Testimony in Strong Support of HB 2097, Relating to Employment

On behalf of the Hawaii State Commission on the Status of Women, I would like to thank the Committee for hearing this bill and for the opportunity to testify in support of HB 2097, which would guarantee families' ability to provide care to their loved ones without fearing financial setbacks or potential job loss.

Current Access to Unpaid Family Leave

Currently, employees in Hawaii do not have any right to paid medical or family leave. While the federal Family Medical Leave Act (FMLA, which leaves out 40 percent of the workforce) allows for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees, our own Hawaii Family Leave Act only applies to those with 100 or more employees and allows for job protection for up to 4 weeks. For employees at firms of less than 100 employees, the decision of whether you receive unpaid maternity leave, paternity leave, or leave to take care of an aging and ill parent or spouse is completely dependent on your employer. Most people working in Hawaii cannot take unpaid leave and still maintain financial stability. Further, only 2% of companies in Hawaii and 16% of the workforce are protected by our HFLA.<sup>1</sup> It is clear that our current law needs to be revised and updated to provide true benefit to employees.

Nationally and locally, the FMLA's coverage is narrow. As it is written, the FMLA excludes two-fifths of the workforce.<sup>2</sup> The only state mandated paid leave is our current Temporary Disability Insurance, or TDI program. However, TDI is time limited and privatized so it is unclear how many people actually benefit from our current TDI system. For new moms, using TDI means you can receive partial wage replacement for 6 to 8 weeks, depending on the type of birth you have. For some family caregivers, there is no expectation of unpaid or paid family leave.

To make the situation even clearer, here is some data on how a lack of paid leave affects our economy and our employees:

- Nearly 25% of adults in the United States have lost a job or been threatened with job loss for taking time off due to illness. Only 11% of workers in the United States have access to paid family leave through their employers. This means that millions of workers who develop health issues, have ill family members or who become parents are forced to choose between a pay check and their family member.<sup>3</sup>
- Families are pushed into financial crisis because of lost wages or a job loss as a result of a birth or other health needs. A significant number of bankruptcies occur after a worker misses two or more weeks due to illness.<sup>4</sup>
- Low wage workers are the least likely to have access to family leave. Children in low income families are more likely to miss out on critical time with their parents during their first weeks of life.
- Women are the primary or co-breadwinners for nearly two-thirds of the nation's families, so a woman's income loss during pregnancy or maternity leave has significant economic consequences for her family. This is the same for women and families in Hawaii.

## States with Paid Family Leave/Temporary Caregivers Insurance Policies

California, New Jersey and most recently, Rhode Island, have all passed strong state policies providing partial wage replacement for family and medical leave purposes. California passed the nation's first comprehensive paid family leave program in September 2002, allowing six weeks of wage replacement leave at 55 percent of their usual weekly earnings when they needed to take time off of work to bond with a new child or to care for a seriously ill family member. In the more than ten years that this law has been in effect, California has seen economic, public health, and business savings because of this measure. In "Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California", key findings from California's experience were as follows:

- The business community's concerns, that it (paid family leave) would impose extensive new costs on employers and have serious detriment to small businesses, were unfounded. After five years of this policy in place, employers reported that it had minimal impact on their business operations.<sup>5</sup>
- Small businesses were less likely than larger establishments to report any negative effects.
- The vast majority of respondents to the survey reported that they were not aware of any instances in which employees abused the state Paid Family Leave program.
- The use of paid family leave increased retention of workers in low quality jobs.
- Paid family leave doubled the median duration of breastfeeding for all new mothers who used it.

### How HB 2097 would work in Hawaii:

HB 2097 would apply to all employees in the state. All employees would pay in to a fund through a payroll tax; employers would not. When an employee needs to provide care to a family member, spouse or child, the employee would provide medical certification and would then be allowed to "take out" of the partial wage replacement fund that they originally paid into. All contributions to the fund would be 100% employee funded, so businesses in Hawaii would not incur a fiscal note. By allowing for universal eligibility, the program becomes self sustaining, thereby not relying on any state funds to continue operating. This is win-win for businesses and employees.

Hawaii needs a temporary caregivers insurance and paid family leave fund for several reasons. The majority of our workforce already provides care, whether to children, parents, spouses, or ill family members (or for those in the "sandwich generation", provide care to children *and* aging parents simultaneously). The majority of families in Hawaii are "working families" with multiple employees and multiple caregivers. This bill would strengthen economic security for families, so families would not have to risk falling through the economic cracks in times when they need to provide care for another family member. Additionally, measures such as these improve public health, lower levels of public assistance reliance and increase employee loyalty and retention.

### History and Background of Act 204- Joint Legislative Committee on Family Caregiving:

In 2007, the Joint Legislative Committee on Family Caregiving was created to develop a "comprehensive public policy to strengthen support for family caregivers" via Act 204. The committee's mandate included exploring the establishment of a paid family leave program under the state temporary disability insurance law, similar to the program established in California. The preliminary needs assessment data identified "*wage replacement benefits as an appropriate and effective means of supporting family caregivers.*" Other findings included: 55% of the family caregivers are employed and 77% had to take off time from work to deal with caregiving responsibilities.

In 2008, Act 243 required the Joint Legislative Committee on Aging in Place to explore the provision of wage replacement benefits to employees who needed to take time off from work to care for a family member with a serious health condition. From that point, the Family Leave Working Group was established as part of the Joint

Legislative Committee on Aging in Place to explore wage replacement benefits. The Working Group endorsed short and long term concepts including: the “*establishment of a state sponsored long term care insurance program through employee payroll deductions and a tax credit for employers who purchase long term insurance for their employees.*”<sup>6</sup>

Finally, HB 2907 mirrors the federal FAMILY Act, which has congressional bi-partisan support. Lawmakers and policy makers across the nation are realizing the changing demographics of our workplace, in which a majority of women are either breadwinners or co-breadwinners and families are expected to do more by living on less. Hawaii has an opportunity to show its commitment to children and working families by moving HB 2097. We urge this Committee to pass HB 2097. Thank you for your time.

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<sup>1</sup> 2010 County Business Pattern Data, available at [http://www2.census.gov/econ/susb/data/2010/us\\_state\\_totals\\_2010.xls](http://www2.census.gov/econ/susb/data/2010/us_state_totals_2010.xls).

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TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT  
ON  
HOUSE BILL NO. 2097

January 24, 2014

RELATING TO EMPLOYMENT

House Bill No. 2097 establishes a Partial Wage Replacement for Leave Trust Fund (Trust Fund) outside the State treasury to be administered by the Department of Labor and Industrial Relations (DLIR) into which shall be deposited an unspecified percent of each employee's wages, interest earned, and other revenues earned by the Trust Fund. The Trust Fund will be used to provide eligible employees with 12 weeks per calendar year of paid family leave for an amount not to exceed 66 percent of the employee's monthly wage. In addition, the bill appropriates an unspecified amount of general funds to DLIR to employ a staff to perform the functions relating to the administration of the Trust Fund.

The Department of Budget and Finance defers to the DLIR on the viability and appropriateness of trying to provide partially paid family leave for all eligible employees through a payroll tax funding mechanism. As a matter of general policy, the department does not support the creation of trust funds which does not meet the definition under the requirements of Section 37-62, HRS. In regards to House Bill No. 2097, it is not evident if the proposed Trust Fund would be self-sufficient.

I encourage the Legislature to scrutinize the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-62, HRS.

NEIL ABERCROMBIE  
GOVERNOR

SHAN TSUTSUI  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1530  
FAX NO: (808) 587-1584

FREDERICK D. PABLO  
DIRECTOR OF TAXATION

JOSHUA WISCH  
DEPUTY DIRECTOR

To: The Honorable Mark M. Nakashima, Chair  
and Members of the House Committee on Labor & Public Employment

Date: Friday, January 24, 2014  
Time: 8:30 a.m.  
Place: Conference Room 309, State Capitol

From: Frederick D. Pablo, Director  
Department of Taxation

Re: H.B. No. 2097 Relating to Employment

The Department of Taxation (Department) provides the following comments regarding H.B. 2097.

H.B. 2097 establishes a new "partial wage replacement for leave trust fund," to be consisting of employee contributions, which shall not exceed an unspecified percent of each employee's wages per pay period. All assets of the fund are to be held in trust by the Department of Labor and Industrial Relations (DLIR) for the exclusive use and benefit of the employee-beneficiaries. The trust fund is to provide an eligible employee with twelve weeks per calendar year of paid family leave, not to exceed sixty six percent of the employee's monthly wages. H.B. 2097 will take effect on July 1, 2014.

H.B. 2097 provides an unspecified appropriation out of the general fund to DLIR for the purpose of hiring and employing an administrator, an administrative assistant, and an accountant to perform functions relating to the administration of the trust fund, including the oversight of payroll deductions, administrative processes, and payment to eligible employees.

Section 398-B (c) of H.B. 2097, which can be found starting at line 19 of page 2, requires the Department to administer and oversee each employee's contribution to the partial wage replacement for leave trust fund. The Department believes that this reference may be an inadvertent error, and that the bill was intended to refer to DLIR because Chapter 398, Hawaii Revised Statutes, is administered by DLIR. If this is an inadvertent error, the Department suggests the following amendment:

(c) The department [~~of taxation~~] shall administer and oversee each employee's contribution to the partial wage replacement for leave trust fund.

If Section 398-B(c) of H.B. 2097, as written, is not in error, the Department notes that



complying with the provision is analogous to implementing a completely new tax type. The Department currently does not have the human or electronic resources necessary to implement the administration and collection of a new tax type.

Thank you for the opportunity to provide comments.



House Committee on Labor & Public Employment  
Friday, January 24, 2014 at 8:30 a.m.  
Hawai'i State Capitol, Room 309

#### House Bill 2097 Relating to Employment: Partial Wage Replacement

Aloha Chair Nakashima, Vice Chair Yamashita and members of the committee. On behalf of the members of the Society for Human Resource Management – Hawai'i Chapter (SHRM Hawai'i), we would like to thank you for the opportunity to comment on House Bill 2097, relating to employment, partial wage replacement. We are opposed to HB 2097, which requires twelve weeks of partially-paid leave at a maximum of sixty-six per cent of regular salary for all employees. It also establishes a trust fund funded by employee contributions and appropriates funds to the Department of Labor and Industrial Relations for positions to administer the trust fund.

We are concerned HB 2097 has the potential to conflict with other leave requirements and policies on the local, state and federal levels. We are also concerned that HB 2097 fundamentally strips both the employers and employees of the ability to be flexible with respect to paid sick and vacation leave agreements.

SHRM Hawai'i represents over 850 human resource professionals in the State of Hawai'i. We are eager to share our expertise with policymakers and welcome a positive dialogue on workplace flexibility policy.

Once again, thank you for this opportunity to testify on this measure.

January 23, 2014

TO: Mark N. Nakashima, Chair  
Representative Kyle T. Yamashita, Vice Chair  
Members of the House Committee on Labor and Public Employment

January 24, 2014 8:30 Conference Room 309

FROM: Jess Glasser

RE: **HB 2097** Relating to Employment - **SUPPORT**

We, in Hawaii, are where we are today thanks to the hard working people of these islands. We are also where we are today because of the family values that shape our culture and the state of our state: many of us live in multigenerational homes and many of us play the role of caregiver to our parents, keiki, aunties and uncles, brothers and sisters, and other family members. Paid family leave [Temporary Caregivers Insurance (TCI)] reflects and supports our work ethic, values, and way of life.

New Jersey (along with California and Rhode Island) recently passed legislation to provide employees with TCI for parenting and caregiving for family members. Here are national data the New Jersey Time to Care Coalition shared during their successful efforts to get TCI passed (from: <http://www.njtimetocare.com/our-agenda/family-leave-insurance/fact-sheet/caregivers>):

- Half of people age 85 and over need assistance with daily activities.
- Mothers with children under 6 are the fastest growing segment of the workforce.
- Nearly 1 in 2 working women are their families' primary breadwinner.
- Nearly 1 in 4 households (22.4 million families) provide care for elderly relatives.
- The majority of family caregivers (52%) are also employed full-time.
- Nearly four in five American workers who need leave but do not take it report that they do not take it because they can't afford to.
- Of those who need leave but cannot take it, nearly 1 in 3 need leave to care for an ill spouse or parent.
- By 2030, the number of Americans over 65 will be 70 million—double today's 35 million.
- Today, the fastest growing segment of our population is people 85 and over.
- Nearly two-thirds of Americans under 60 expect to be responsible for the care of an elder relative within the next ten years.
- By 2020, about 40 percent of the workforce will be caring for older parents.

I support HB 2097 because I believe we should be able to take care of our aging parents (or in-laws), ailing spouses, and develop healthy attachments to new additions to our family (through birth, adoption, or foster care) without fear of losing our jobs and our means to support ourselves and our families. Added bonus: TCI is 100% employee funded, so it's revenue neutral (won't add to the state budget)!

Thank you for this opportunity to provide testimony in support of HB 2097.

The Twenty-Seventh Legislature  
Regular Session of 2014

HOUSE OF REPRESENTATIVES  
Committee on Labor & Public Employment  
Rep. Mark M. Nakashima, Chair  
Rep. Kyle T. Yamashita, Vice Chair  
State Capitol, Conference Room 309  
Friday, January 24, 2014; 8:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2097  
RELATING TO EMPLOYMENT**

The ILWU Local 142 supports the intent of H.B. 2097, which requires twelve weeks of partially-paid leave at a maximum of 66% of regular salary for all employees and establish a trust fund funded by employee contributions.

In principle, this bill establishes good labor law. The Hawaii Family Leave Law (HFLL) will mirror the federal Family and Medical Leave Act (FMLA) by providing for family leave and medical leave for the employee PLUS providing for partial pay (up to 66% of the employee's wages) and applying to all employers. Employers should not balk because a trust fund will be established with contributions from employees themselves, not employers, to fund the family and medical leave.

One drawback (and it is a huge one) may be that insufficient funds will be collected to provide benefits to all who need it. Another is that workers themselves may balk at the additional tax, however much it may help them. As with any tax, the public needs to be educated about the advantages and benefits.

Despite the drawbacks, this bill offers a good beginning at addressing an issue that will become more of a problem as Hawaii's population ages. Thousands of Hawaii residents already take family leave on a daily basis. They take time off to take an elderly parent to the doctor or they retire early to provide needed long-term care for loved ones who no longer can care for themselves. This leave and early retirement represent a huge impact on productivity in the workplace. H.B. 2097 also includes partially paid leave for the employee's own medical needs, which may help to address the problem of employees with no sick leave benefits since all employers will be subject to the law.

One issue that has not been addressed in this bill or any other is that FMLA and HFLL may be applied concurrently, which means the employer may (and usually does) apply FMLA and HFLL to the same days, leaving the employee really eligible only for 12 weeks of total leave in a calendar year. We hope the Legislature will consider addressing this issue.

If the concerns raised in our testimony are addressed, the ILWU would like to see passage of H.B. 2097. Paid family and medical leave are a necessity for today's workers.

Thank you for the opportunity to share our views and concerns.



Planned Parenthood of Hawaii

To: Hawaii State House of Representatives Committees on Labor & Public Employment  
Hearing Date/Time: Friday, January 24, 2014, 8:30 a.m.  
Place: Hawaii State Capitol, Rm. 309  
Re: Testimony of Planned Parenthood of Hawaii in support of H.B. 2097

Dear Chair Nakashima and Members of the Committees on Labor & Public Employment,

Planned Parenthood of Hawaii writes in support of H.B. 2097, which seeks to establish temporary caregiver insurance, otherwise known as paid family leave.

Planned Parenthood of Hawaii is dedicated to providing Hawaii's people with high quality, affordable and confidential sexual and reproductive health care, education, and advocacy. The need for access to paid family leave is a social justice issue that directly impacts many of the women and men of all income levels who come through our doors seeking health care.

It's hard to imagine any family without a member who's been forced to deal with an unexpected serious illness requiring surgery, treatment and a period of recovery. We know that the primary use of paid family leave is by individuals who require that benefit because of their own illnesses. We're also well aware that there's a growing demand for working adults to care for their aging parents. The cost of home caregivers, assisted living facilities and skilled nursing homes is high. Thousands of Hawaii families are balancing the needs of ailing elders while also raising children who are in need of some level of daily care or who just need to stay home with a garden variety communicable illness.

While we don't have all the answers to the dilemmas facing us, as baby boomers age, as life expectancy grows, as somewhat older mothers choose to bear children and face complicated at-risk pregnancies, we can be proactive and develop sound family leave insurance policies that provide longer term family economic security, a more stable, productive workforce, decrease dependence on public assistance and save employers money over time.

Thank you for this opportunity to testify.

Sincerely,  
Laurie A. Temple  
Director of Public Affairs & Government Relations

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1350 S. King Street, Suite 310  
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**MAUI**  
Kahului Office Center  
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Kahului, HI 96732  
808-871-1176



# UNITE HERE!

## LOCAL 5 HAWAII

*Eric Gill, Financial Secretary-Treasurer*

*Hernando Ramos Tan, President*

*Godfrey Maeshiro, Senior Vice-President*

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Wednesday, January 22, 2014

The Honorable Mark Nakashima, Chair  
and Members  
Hawaii State Legislature  
House Committee on Labor & Public Employment  
State Capitol  
415 S. Beretania Street

*TESTIMONY Submitted on behalf of UNITE HERE! Local 5*

Chair Nakashima, Vice-Chair Yamashita, and members of the House Committee on Labor & Public Employment:

UNITE HERE Local 5, a local labor organization representing nearly 10,000 hotel, health care and food service workers employed throughout our State, would like to offer comments in support of HB 2097, relating to partially-paid family leave.

We live and work in a time of growing economic insecurity. As a community, we face many challenges that will directly impact the future and health of our local economy. As an example, we expect to host a record number of visitors to our islands this year; we see and hear more and more about plans for the construction of luxury condominiums and timeshares that seek to replace our existing hotel room inventory; yet workers are left to grapple with the devastating impact outside capital and control of our local hotel and visitor industry has had on the loss of good, quality jobs in our visitor industry.

Working families are the foundation of any healthy community. Yet the burdens placed on our families today are steadily on the rise. We need quality jobs that will allow us to continue to provide for our families, but we also need the ability to care for our children, spouses and aging parents should the need arise.

We believe HB 2097 can begin to lay the necessary foundation for a more comprehensive solution that begins to address the long-term viability of our local economy in the face of shrinking economic opportunities, rising consumer debt and an aging population.

Thank you.

# BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

## 2014 Officers

### President

**Brian K. Adachi**  
BKA Builders, Inc.

### President-Elect

**Richard Hobson, Jr.**  
Gentry Homes, Ltd.

### Vice President

**Craig Washofsky**  
Servco Home & Appliance Distribution

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First Hawaiian Bank

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**Evan Fujimoto**  
Graham Builders, Inc.

### Special Appointee-Builder

**Paul D. Silen**  
Hawaiian Dredging Construction Co., Inc.

### Special Appointee-Builder

**Mark Kennedy**  
HASEKO Construction Management  
Group, Inc.

### Special Appointee-Associate

**Dean Uchida**  
SSFM International, Inc.

### Immediate Past President

**Greg Thielen**  
Complete Construction Services Corp.

### Chief Executive Officer

**Karen T. Nakamura**  
BIA-Hawaii

## 2014 Directors

### Anthony Borge

RMA Sales

### Carleton Ching

Castle & Cooke Hawaii, Inc.

### Chris Cheung

CC Engineering & Construction, Inc.

### Clifton Crawford

C&J Contracting, Inc.

### Eric Bass

D.R. Horton, Schuler Division

### Gary T. Okimoto

Honolulu Wood Treating

### Lili Shintani

Alan Shintani, Inc.

### Mark Hertel

Inter-Island Solar Supply, Oahu-Maui-  
Hawaii-Kauai

### Marshall Hickox

Homeworks Construction, Inc.

### Michael Watanabe

JW, Inc.

### Ryan Engle

Bays Lung Rose & Holma

### Stephen Hanson

simplicityHR by ALTRES

## Testimony to the House Committee on Labor & Public Employment

Friday, January 24, 2014

8:30 a.m.

Hawaii State Capitol - Conference Room 309

### SUBJECT: H.B. 2097 RELATING TO EMPLOYMENT

Dear Chair Nakashima, Vice-Chair Yamashita, and members of the Committee,

My name is Gladys Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **opposes** H.B. 2097, which would require twelve weeks of partially-paid leave at a maximum of sixty-six per cent of regular salary for all employees. Establishes trust fund funded by employee contributions. Appropriates funds to the Department of Labor and Industrial Relations for positions to administer the trust fund. Effective July 1, 2014.

H.B. 2097 essentially creates another fund, paid for by employee contributions, to cover this new proposed leave. Will the employee accept a pay decrease in the amount of their new contribution? What happens when the fund is depleted and the contribution level is changed? Expanding government with another fund, especially one similar to one that has historically been underfunded and mismanaged, is the last thing we should be doing.

While expanding family leave time is not a bad thing, where is the rationale behind expanding it 300% to twelve weeks? H.B. 2097 also strikes the inapplicability clause and thus would apply to all businesses. For a business with less than 100 employees, and even much less, which reflects many of our contractors' businesses, an employee being out for three months could cripple the business and shut it down, leaving the employee with no job to return to.

Mandates on employers increase the costs of doing business. The employer is then faced with making tough human resource decisions in order to remain afloat, impacting the very employees this bill is attempting to help.

Based on the foregoing reasons, BIA-Hawaii **opposes** H.B. 2097.

We appreciate the opportunity to share with you our views.

**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, January 23, 2014 10:23 AM  
**To:** LABtestimony  
**Cc:** amysojot@hawaii.edu  
**Subject:** \*Submitted testimony for HB2097 on Jan 24, 2014 08:30AM\*

**HB2097**

Submitted on: 1/23/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Amy Sojot	Individual	Support	No

Comments:

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**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, January 23, 2014 10:38 AM  
**To:** LABtestimony  
**Cc:** keliana1@yahoo.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/23/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Carrie Rosen	Individual	Support	No

Comments: It is important that we as a community support the care of family members and loved ones. In Hawai'i, we are a collective society; we care for family members rather than put them in the care of others when possible. Caregivers take on a huge burden when they choose to care for someone. That burden can be lessened by the knowledge that they may qualify for some income and have a job to return to. Allowing family to care for each other increaes loyalty to the employer, decreases stress for the caregiver, and can ultimately save the taxpayers money. Caregiver burnout is real and can contribute to medical costs for routine and emergency care of both the caregiver and the patient. Supporting these folks, especialy in a way that does not cost the state any money, only makes sense. Thank you for yoru time.

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**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, January 22, 2014 10:49 PM  
**To:** LABtestimony  
**Cc:** cec.higa@yahoo.com  
**Subject:** \*Submitted testimony for HB2097 on Jan 24, 2014 08:30AM\*

**HB2097**

Submitted on: 1/22/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cecily Higa	Individual	Support	No

Comments:

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January 23, 2014

To: Representative Mark N. Nakashima, Chair  
Representative Kyle T. Yamashita, Vice Chair  
Members of the House Committee on Labor and Public Employment

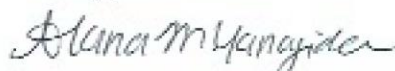
RE: HB 2097 Relating to Employment - SUPPORT

Having been fortunate enough to grow up in Hawaii but attend college on the Mainland as well as live and work there for a couple of years, I can honestly say that one of the things I missed most about living away from Hawaii was the feeling of *ohana*. I feel connected to the land, my community, and this state. This feeling of connectedness was missing for me while living on the Mainland. Here, in Hawaii, we take care of each other and we take care of our family. Unfortunately not only is there very minimal and strict policies regarding paid time off for Hawaii employees should a family member become ill or need emergency assistance, but with our high cost of living, the thought of taking off time to care for a family member doesn't even cross many employees' minds because they know that there is nothing they can afford to do.

I am a student studying to become a social worker and one phrase we talk about, and that our professors have strived to engrain in our minds, is the importance of "self-care." If you were to recall what every flight attendant says during the airplane safety demonstration – "should an emergency arise, please put on your face mask before you put on someone else's" – it is challenging, if not impossible, for anyone to sufficiently care for a family member in need when he or she is worried about how he or she will be able to pay their personal bills or whether or not one will have a job upon return. Yet, *ohana* is what sets our state apart and makes Hawaii a special place to live. I hear politicians, supervisors, professors, and my parents telling me to work hard and be the best employee I can be. Yet, how I can be at the top of my game when I am worried about my family members, my job, and my bills?

Hawaii is known for being an "aloha" state and centered around "ohana." Let's take a stand and show others that we truly live with these values in our hearts and minds. If passed, HB 2097 will be funded by all of us and will provide peace of mind for all us as well. Thank you for this opportunity to provide testimony in support of HB 2097.

Sincerely,



Alana M. Yanagida

**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, January 23, 2014 3:50 PM  
**To:** LABtestimony  
**Cc:** pchong06@gmail.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM  
**Attachments:** HB 2097 support.docx

**HB2097**

Submitted on: 1/23/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Paula Chong	Individual	Support	No

Comments:

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My name is Melissa Kim and I support H.B. 2097.

I'll never forget the day I took a job at a long established public relations firm in Honolulu. This company was known for being one of the top places to work in Hawaii, being founded and run by women. When I took a look at the employee handbook after being hired, I was then shocked to see that paid maternity leave was not offered at this company. When I raised this concern to my supervisor, she pointed out that Hawaii or the United States mandated paid family leave and thus, they were not offering it to their employees.

The United States is the only industrialized country to not mandate paid family leave for employees. As a mom who had her first child two years ago, I chose to leave a successful career to become a mother. Had paid maternity leave been an option, I would still be employed today because I wouldn't feel that I am abandoning my child at just 6 weeks of age if I could even afford to take that much time off and put my child into daycare in just a short amount of time. As a military spouse, I have no family to turn to for care for my child, and I believe this is a situation many of our military spouses face here in Hawaii.

In Canada, where many of my family members and friends reside, I am in awe of their 50-week paid maternity leave option. Not only are young women entering the workforce and able to establish successful careers for themselves, but they feel secure in choosing to become parents because they know their job is still waiting for them when they return and are excited to spend 50 weeks with their newborn. Job security and motherhood should not be at odds with one another as it is here in the U.S.

This is a critical opportunity for Hawaii to show much they value ohana; to strengthen our families and be an example to the rest of the country that we believe in strengthening the bond of newborns and parents. Not only will paid family leave give families more time to together, but it can help with decreasing postpartum depression for mothers, give mothers more time to heal from birth, and give adequate time for parents to find childcare options for their children.

Representative Nakashima, Representative Yamashita and honorable Members of the House Committee on Labor and Public Employment, I ask that you push forward with this bill and help make Hawaii one of the best places to work in this country for families.

Mahalo nui loa,

Melissa Kim

**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, January 23, 2014 11:19 AM  
**To:** LABtestimony  
**Cc:** jlouis@hawaii.edu  
**Subject:** \*Submitted testimony for HB2097 on Jan 24, 2014 08:30AM\*

**HB2097**

Submitted on: 1/23/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jamie Louis	Individual	Support	No

Comments:

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**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, January 22, 2014 1:22 PM  
**To:** LABtestimony  
**Cc:** wctanaka@gmail.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/22/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Wayne	Individual	Support	No

Comments: Please support this important win-win measure that provides tremendous relief for working class families, promotes healthy childhood development and avoids burdening the business community. Mahalo nui!

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**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, January 22, 2014 1:29 PM  
**To:** LABtestimony  
**Cc:** lukesarvis@gmail.com  
**Subject:** \*Submitted testimony for HB2097 on Jan 24, 2014 08:30AM\*

**HB2097**

Submitted on: 1/22/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Luke Sarvis	Individual	Support	No

Comments:

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**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, January 22, 2014 1:34 PM  
**To:** LABtestimony  
**Cc:** cinzia.b.olter@gmail.com  
**Subject:** \*Submitted testimony for HB2097 on Jan 24, 2014 08:30AM\*

**HB2097**

Submitted on: 1/22/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Cinzia Olter	Individual	Support	No

Comments:

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**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, January 22, 2014 2:18 PM  
**To:** LABtestimony  
**Cc:** joelmark@hawaii.edu  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/22/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joel Mark	Individual	Support	No

Comments: This is a common sense measure and should be passed. No one should have to choose between paying the bills and caring for a loved one.

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**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, January 22, 2014 2:22 PM  
**To:** LABtestimony  
**Cc:** kealiisplace@gmail.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/22/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Benton Pang	Individual	Comments Only	No

Comments: Please support our working 'ohana.

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**HB 2097**  
**Relating to Employment**  
House Committee on Labor and Public Employment

January 24, 2014

8:30 a.m.

Room 309

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The Administration of the Office of Hawaiian Affairs (OHA) will recommend to the Board of Trustees a position of **SUPPORT** for HB2097. This measure would require twelve weeks of partially-paid leave at a maximum of sixty-six percent of regular salary for all employees. It would establish a trust fund funded by employee contributions and appropriates funds to the Department of Labor and Industrial Relations for positions to administer the trust fund.

OHA's strategic priorities include Maui Ola (Health), which represents our commitment to improve the conditions of Native Hawaiians and quality of life, and as such, we are committed to advocating for measures that will combat the risk factors associated with the social determinants of health. The risk factors involved in these determinants are related to where we work, play, and live and can have a significant impact on the health outcomes that may not be resolved through traditional medical care. This measure will have broad positive impact for Native Hawaiians and the health and well-being of the overall population.

Every working family has at one time experienced a sudden illness in the family or a planning of a birth or adoption of a child. It is also common for Native Hawaiian and Hawai'i families to care for elderly parents or have grandparents raising their grandchildren. Oftentimes, the only options for working families are to either scrape together available sick or vacation leave, which is often inadequate, or leave their jobs. This measure will alleviate the economic instability for families who have faced this predicament while providing some protection through wage replacement and ensuring job security.

While this measure supports families, it also is a cost effective solution for employers. Providing paid leave is fiscally responsible for small and large business because the employers do not contribute to the employee's wage replacement income. At the same time, paid family leave helps to retain good employees which reduces turnover costs. A 2011 study of California's family leave program found that it would save employers \$89 million a year by improving employee retention and reducing costs of hiring and training new employees.

Mahalo nui loa for the opportunity to testify.

**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, January 23, 2014 4:13 PM  
**To:** LABtestimony  
**Cc:** drodrigues2001@yahoo.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/23/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Darlene Rodrigues	Individual	Support	No

Comments: I write in strong support of HB2097 which would provide a financial safety measure for working people in Hawai'i. Parents deserve the time to take care of a newborn or recently adopted child. Children of elderly parents deserve a safety net in case of emergency. A couple of years ago, my elderly mother had a bad fall, and I needed to take time off from work to take care of her for a couple of weeks. Luckily, I had vacation time and used that in order to keep financially afloat. If she had a turn for the worse and needed longer care, I am not sure what I would have been able to do. Paying into a trust assures me that I would not need to burden anyone including the state to help my family financially during these times of crisis and emergency. The value of family is an important one in our state of Aloha. Let us help families by allowing the trust to be established. Partially paid family leave will benefit working families who need to have a strategy for unexpected emergencies or who need the time to take care of a newly arrived child. Mahalo for your time and consideration.

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**LATE**



Citizens for Equal Rights

2343 Kula Kolea Dr. Honolulu, HI 96819

To: COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Representative: Mark Nakashima, Chair

Date: Friday, January 24, 2014, 8:30am, Conference Room 309

Re: **HB2097 – Relating to Employment - Support**

Chair Nakashima and Committee Members:

My name is Tambry R. Young; I am the president of Citizens for Equal Rights (CFER) an organization that defends the equal rights and protections of all citizens of the State of Hawaii. I am also the CEO of Tidy Up Gang (TUG) a small commercial cleaning business. CFER and TUG stand in support of HB2097. This bill helps to alleviate some of the financial and psychological pressures placed upon individuals and families when a health issue arises.

Hawaii at this time does provide some financial support for those who are faced with unforeseen medical situations. However, it is estimated that the number of adults having to take care of elderly parents will rise 40% by 2020. Unfortunately with the high number of multigenerational family households here in Hawaii, taking care of elderly parents is a reality today. By establishing the Partial wage replacement for leave trust fund presented in this bill, Hawaii will be taking a pro-active approach in addressing this issue for today and in the future.

As a small business owner I have hired many individuals who have difficulty in finding employment for various reasons. As an employer I strive to give my employees a sense of ownership, pride and responsibility for the work they do. For many of them the financial impact of having to take time off of work to take care of a medical situation for an extended period of time would be a tremendous hardship. While it is in my ability to hold a position for that employee for as long as they may need me to, they understand it would be a hardship on the business to continue to support them financially while they are not working. This bill helps the employee have some peace of mind knowing that they have assisted in alleviating some of the financial pressures put on the company during their absence. This bill helps my business by allowing them to focus on their situation without some of the financial burdens while keeping that sense of ownership, pride and responsibility to the business.

I ask that you pass HB2097.

Thank You,

Tambry R. Young  
President, Citizens for Equal Rights  
CEO, Tidy Up Gang LLC



# Hawaii Women's Coalition

**COMMITTEE ON LABOR & PUBLIC EMPLOYMENT**  
**Rep. Mark M. Nakashima, Chair**  
**Rep. Kyle T. Yamashita, Vice Chair**

**LATE**

DATE: Wednesday, January 24, 2014  
TIME: 08:30 a.m.  
PLACE: Conference Room 309

## **STRONG SUPPORT FOR HB 2097 relating to paid family**

Aloha Chair Nakashima, and committee members,

According to the Center on Budget Policies, the gap between the rich and everyone else has widened dramatically in Hawai'i since the 70s, reflecting the national downward spiral of the hopes of ordinary citizens. According to the Center, "The richest 5 percent of households have average incomes 10.9 times as large as the bottom 20 percent of households and 4.1 times as large as the middle 20 percent of households." This is a sobering statement especially in the light of our high cost of living.

What does this have to do with paid family leave? Everything. Working men and women are often forced into dire financial straits as a result of the need to care-take an ailing relative or newborn baby. This can result in loss of income as a result of unpaid leave, which in turn results in lowered productivity for employers. Through the multiplier effect this results in loss of jobs, since fewer are buying goods and services. This is not only inhumane, it is bad economic policy. This bill would save many from falling even further down the economic scale, this helping our economy.

Furthermore, since this bill proposes employee funding of family leave through temporary caregivers insurance, it has NO cost to the employer.

The need for paid family leave is most especially an issue for women, many of whom are the primary or sole support of their families and upon whose shoulders the responsibility for caretaking still falls in the 21<sup>st</sup> Century.

We in The United States like to think that we are number one yet we are the only industrialized nation not to mandate paid family leave for the care of newborn children. We in Hawai'i like to pride ourselves on our attention to a social safety net and our respect for labor, yet Hawai'i has no paid family leave, unless an employer willingly provides it. Please pass the important bill out of committee.

Mahalo for the opportunity to testify,

Ann S. Freed  
Co-Chair, Hawai'i Women's Coalition  
Contact: [annsreed@gmail.com](mailto:annsreed@gmail.com)  
Phone: 808-623-5676





January 24, 2014

To: Representative Mark Nakashima, Chair  
Representative Kyle Yamashita, Vice Chair and  
Members of the Committee on Labor and Public Employment

From: Jeanne Y. Ohta, Co-Chair

RE: HB 2097 Relating to Employment  
Hearing: Friday, January 24, 2014, 8:30 a.m., Room 309

POSITION: STRONG SUPPORT

The Hawai'i State Democratic Women's Caucus writes in strong support of HB 2097 Relating to Employment, which would require twelve weeks of partially-paid leave at a maximum of sixty-six per cent of regular salary for all employees; would establish a trust fund funded by employee contributions; and would appropriate funds to the Department of Labor and Industrial Relations for positions to administer the trust fund.

Under federal and state law, the only leave allowed to families with newborn child or unexpected caregiving responsibilities is unpaid leave. The Federal and Medical Leave Act of 1993 (FMLA) allows 12 weeks of unpaid leave to employees who have worked at least 12 months (not necessarily consecutive) at a business that employs 50 or more employees, if the employee needs time off to: bond with a new child; recuperate from a serious health condition; care for a family member with a serious health condition; or handle qualifying exigencies arising out of a family member's military service.

The United States is the only industrialized nation not to mandate paid family leave for the care of newborn children and Hawai'i has no paid family leave, unless an employer willingly provides it. The only paid leave in Hawai'i is partial wage replacement through our TDI system for new mothers.

Family Leave Insurance, or TCI, means employee-subsidized time off of work to care for a newborn, newly adopted or foster child, or an ill spouse, parent or parent-in-law, or other family member. TCI guarantees that employees have enough funding to cover basic costs of living. Further, TCI allows workers on temporary leave to continue to spend money in their communities, boosting business and the overall economy.

California, New Jersey, and Rhode Island have passed laws that provide employees with Temporary Caregiver Insurance (TCI) for parenting and caregiving for family members and 20 other states are actively working to pass legislation similar to this proposal.

TCI is necessary because of the number of parents in the workforce. The number of children with parents or their only parent working (nearly 66% of all children in the U.S.) has increased by 13% since the drafting of FMLA and by 2020, about 40 percent of the workforce will be providing care for older parents.

Women, as primary caregivers of infants, children and elderly parents, are affected disproportionately by the unavailability of paid family and medical leave. Women are the primary or co-breadwinners for almost two-thirds of families in the U.S., so women's income lost during maternity leave has significance economic impact on her entire family.

In Hawai'i, only 88 businesses employ 100 or more employees within the state. Thus, only employees from these 88 businesses are eligible for 4 weeks unpaid leave guaranteed by state law.

Paid leave helps keep families off of public assistance and saves the state money devoted to elder care by promoting immediate and long term health outcomes for mothers, children, and aging relatives.

The Hawai'i State Democratic Women's Caucus is a catalyst for progressive, social, economic, and political change through action on critical issues facing Hawaii's women and girls. It is because of this mission, the Women's Caucus supports this important measure.

We urge the committee to pass HB2097. Thank you for this opportunity to provide testimony.

**yamashita1**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, January 23, 2014 5:59 PM  
**To:** LABtestimony  
**Cc:** greg@lahainadivers.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/23/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Greg Howeth		Oppose	No

Comments: Small businesses do not have the ability to function with out the nessesary level of staffing and to lose any staff for 12 weeks is an undue hardship. Please oppose HB-2097 and do not pass it.

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yamashita1

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, January 23, 2014 8:52 PM  
**To:** LABtestimony  
**Cc:** kstofocik@gmail.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/23/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kathleen Stofocik	Individual	Support	No

Comments: I support HB2097. Having a percentage of my paycheck provided, while caring for a newborn or newly adopted child, would financially and emotionally assist my family where both my husband and I work full-time. Paid Family Leave is cost-effective and should be implemented this year in Hawaii for all working families who want to have children.

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yamashita1

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, January 23, 2014 9:06 PM  
**To:** LABtestimony  
**Cc:** paulwfitzgerald@gmail.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/23/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
PAUL FITZGERALD	Individual	Support	No

Comments: I strongly support HB2097 and believe that Hawai'i should be the next state that provides paid family leave for all Hawai'i residents to care for a newborn or newly adopted child. I believe that this legislation is a common sense measure to support families and family values. Our community as a whole will benefit from coming together to ensure working parents are afforded the opportunity to care for their own child in their most important time. Unfortunately, my wife and I are not in a financial position to allow either of us to have unpaid leave for any extended period of time. Additionally, my work requires frequent travel putting an extra amount of stress on my wife to care for our family. I strongly support HB2097 because I believe it is what is best for our family and all of Hawai'i.

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**LATE**

January 23, 2014

**Date:** January 24, 2014 Friday

**Time:** 11:30am

**Place:** State Capitol, 415 South Beretania Street

**RE: TESTIMONY IN STRONG SUPPORT OF HB 2097**

Requires twelve weeks of partially-paid leave at a maximum of sixty-six per cent of regular salary for all employees. Establishes trust fund funded by employee contributions. Appropriates funds to the Department of Labor and Industrial Relations for positions to administer the trust fund. Effective July 1, 2014.

My name is Katie Caldwell and I am a resident of Honolulu, HI. It shocked me to learn that the United States is the only industrialized nation that does not provide paid leave for a newborn. It is lack of legislation like this that contributes to females making less money and being undervalued in the workplace. It is ridiculous that new Mothers (and Fathers!) must use their precious sick and vacation leave, which in this country is also sorely lacking, to attempt to recover from the stressful and sleep-deprived state that follows parenthood. But Family leave is not intended for Mothers alone...it is for caretakers of elderly parents or grandparents, caretakers of spouses or siblings...all without the fear and anxiety of losing our employment. And with the baby boomer generation aging rapidly, many of us will find ourselves needing to take time away to care for the ones that we love. Every single one of us, at one point in our lives, will have to take time away from work to assist someone that we care about. When I was only 24 years old, I had to care for my Mother, who was dying of cancer. Becoming a caregiver is one of the most difficult, stressful jobs a person can endure. Because I quickly ran out of vacation and sick leave, I was forced to find part-time work (on a much smaller payscale) in a different company while I cared for my ailing Mother. The stress of losing my job and scrambling to find a new one that paid significantly less was nearly unbearable while trying to aid my very sick Mother. When

you (undoubtedly) find yourself in a similar situation, wouldn't you like the peace of mind that you have a job waiting for you, and a small income still coming in?

Thank you kindly for taking the time to hear this hear this much-needed legislation.

Sincerely,

Katie Caldwell

**LATE**

The United States is the ONLY industrialized nation not to mandate paid family leave for the care of a newborn child. We are working to amend Hawaii's current Family Leave Act to provide universal eligibility, job protection, and partial wage replacement through a 100% employee funded payroll contribution. In the event an employee has to care for a newborn, adopted child, or family member with a serious illness, this means not having to choose between a paycheck and family. Paid leave is pro-business, pro-family, and a win-win-win for employees, small and large businesses, and ultimately, the Hawai'i state economy.



yamashita1

**LATE**

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, January 24, 2014 8:21 AM  
**To:** LABtestimony  
**Cc:** kuukeoho@gmail.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/24/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Ku'ulani Keohokalole	Individual	Support	Yes

Comments: On the last day of session last year, I gave birth to a beautiful 8lb healthy baby girl. And as excited as we were to bring her into our family, with it came a number of important and serious questions: - How would we – my full-time student husband and me, now on maternity – make ends meet? - Would my job be in jeopardy for being out on maternity for a period of time? And if any of you have had children while working, you realize that one of the biggest worries is that your company won't value the special bonding time you need with your newborn and you'll be rushed back to work. When my oldest was born, my company did not offer paid maternity leave. I was torn between my need to recover and figure out all the craziness of being a first-time parent - and having to pay the bills. Within 6 weeks I was back at work, a zombie without sleep, and worried all the time about my son – clearly, not at my best. Having been in that situation twice now, I can tell you a few things I know for sure: - Companies who offer paid maternity leave entice their workers to stay longer. I would strongly guess that women like me who were able to spend a good chunk of time home with my daughter feel even more loyal to our organizations than ever before. - Giving moms the time they need to not just spend with their baby but recover from the physical experiences of childbirth allow them to come back focused, more productive, and able to prioritize the work at hand. - It's good for the baby – while their brain is rapidly developing and firing off synapses, the time spent in a loving environment with their parent helps get them off to a solid foundation. As the US, we are far behind many other countries in offering virtually no assistance to working families when they go on maternity leave. Yet if we truly value women's work, and we value children, then we will ensure that we are supported by our organizations to do this ultimate labor of love.

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Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
Supporting HB 2097 Relating to Employment  
House Committee on Labor  
Scheduled for Hearing Friday, January 24, 2014, 8:30 AM, Room 309

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*Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit, 501(c)(3) law firm created to advocate on behalf of low income individuals and families in Hawai'i on civil legal issues of statewide importance. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.*

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Thank you for the opportunity to testify in **support** of House Bill 2097, which would create an employee-subsidized trust fund to give all workers up to twelve weeks of paid family leave per year in order to care for a newly born or adopted child, or a family member with a severe health condition. As an organization advocating for low-income families, children, and elders, Hawaii Appleseed Center for Law and Economic Justice supports this bill as a means to promote the health and economic security of working families.

Far too many of Hawaii's families already struggle to make ends meet and live paycheck to paycheck. If a family member falls ill, a worker must either pay for a caretaker or care facility, which is far out of the reach of most families—or forgo a paycheck. For low-income households, who generally have little savings, unexpected illness and the related expenses can be devastating. Meanwhile, the arrival of a new child is both joyous and demanding, requiring significant resources of both time and money. Paid family leave promotes family well-being and healthy childhood development.

Many of our households rely entirely on their paychecks. Due to the high cost of living, which is twice as high as the national average, even full-time workers can struggle to build significant assets, with almost all of their income going to basic necessities. Thirty percent of our residents live in liquid asset poverty—the fifth highest rate in the country—meaning that if they were to lose their income, they would have insufficient liquid assets to survive at the poverty level for just three months. A 2006 study found that 170,000 people on Oahu alone were three paychecks away from homelessness, which is unsurprising since 75 percent of extremely low-income families pay more than half of their income toward housing.

By providing partial wage replacement, this is a critical step in helping families make ends meet during times of financial hardship. Paid family leave insurance would be a more feasible option for these households than saving three months' worth of income in anticipation of a family member falling ill. All of us are vulnerable and require care at some point in our lives. No family should be at risk of financial disaster because of illness, and parents should be able to nurture their children during the critical first months after her arrival. Again, thank you for the opportunity to testify in support of this bill.

yamashita1

**LATE**

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, January 24, 2014 9:35 AM  
**To:** LABtestimony  
**Cc:** admin@hawaiiublicpolicy.com  
**Subject:** Submitted testimony for HB2097 on Jan 24, 2014 08:30AM

**HB2097**

Submitted on: 1/24/2014

Testimony for LAB on Jan 24, 2014 08:30AM in Conference Room 309

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Hawaii Public Policy Advocates		Oppose	Yes

Comments: NFIB opposes this measure.

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LATE

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January 24, 2014

To: The Honorable Mark M. Nakashima, Chair,  
The Honorable Kyle T. Yamashita, Vice Chair, and  
Members of the House Committee Labor and Public Employment

Date: January 24, 2014  
Time: 8:30 a.m.  
Place: Conference Room 309, State Capitol

From: Dwight Y. Takamine, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: H.B. No. 2097 Relating to Employment**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The measure expands the Hawaii Family Leave Law, Chapter 398, Hawaii Revised Statutes ("HRS"), to allow twelve weeks leave for the individual employee's illness in addition to the current leave for care of a family member or on the birth of child. It expands the application of the law from employers with more than 100 employees to all employers with at least one employee.

The proposal also establishes a trust fund funded by employee contributions that will provide paid leave at a maximum of sixty-six per cent of regular salary for all eligible employees. The proposal also provides appropriation to the Department of Labor and Industrial Relations for positions to administer the trust fund. Effective July 1, 2014.

The department supports the idea of employee-funded paid leave, but has some concerns as to how the amended law would function with other labor laws as well as operational concerns. DLIR defers to DoTAX regarding the collection mechanism in the proposal.

**II. CURRENT LAW**

The current Hawaii Family Leave Law ("HFLL") allows for four weeks of unpaid protected leave for employees of employers with more than 100 employees.

### **III. COMMENTS ON THE HOUSE BILL**

Employee-funded paid leave is an idea that has taken root in California (effective 2004), New Jersey (effective 2009), and Rhode Island (effective 2014).<sup>1</sup> These employee funded paid leave programs are generally to provide partial wage replacement when an employee takes protected leave from their jobs to care for seriously ill family members.

#### **How does employee illness wage replacement differ from TDI?**

Chapter 392, HRS, provides employer-funded Temporary Disability Insurance ("TDI"). The measure, if enacted, would duplicate payments provided for the disability of the employee. TDI is usually provided to the employer through an insurance company. The purpose of the proposed Partial Wage Replacement for Leave Trust Fund program (basically a paid family leave program) is (i) to provide care or bond with the employee's new born or adopted child; (ii) to care for employee's self, child, spouse or reciprocal beneficiary or parent with a serious health condition. Whereas the purpose of TDI is to protect employees only economically for non-work-related injuries and illnesses. Although similar, these two programs, nevertheless, have distinctively different scopes in coverage.

Providing care or bonding with the employee's child is not covered under the TDI if the employee is not totally disabled. Although TDI covers eligible employee's own disability or illness, the maximum duration of benefit payment is 26 weeks within any benefit year. In this regard, it appears the Partial Wage Replacement for Leave Trust Fund may "supplement" the TDI in scope of coverage.

Since the statutory TDI benefit payment must start on the 8th day of the eligible employee's disability period (there is a seven-day waiting period), but the family leave (HRS chapter 398) does not have statutorily specified start date, it would be beneficial to the employee to apply for benefits from the TDI law first and subsequently, if necessary, from the proposed Partial Wage Replacement for Leave Trust Fund.

DLIR notes that the TDI law does not allow duplication of benefits (HRS 392-28) such as UI benefits, social security disability benefits and temporary total disability benefits under the Hawaii Workers' Compensation law. The TDI law, enacted in 1969, did not provide for family leave benefits while remaining on TDI benefits as family leave laws were enacted over twenty years later.

#### **Minimal additional cost to employer.**

Because the trust fund is employee funded the only cost to employers will be the open position that is created when someone is away on job-protected leave. The law already provides for the job-protected leave and if the replacement wages are coming from an employee funded trust the financial costs to the employer are likely to be minimal and administrative in nature.

<sup>1</sup> <http://www.nationalpartnership.org/research-library/work-family/paid-leave/state-paid-family-leave-laws.pdf> as it appeared January 21, 2014.

**Expansion of the Hawaii Family Leave Law includes Small Businesses.**

By changing the definition of employer from an entity that employs "one hundred or more employees" to "one or more employees," all employers will fall under the proposal if enacted. In addition, the amount of time allowed to take protected leave from a job is expanded from four to twelve weeks a year, mirroring the FMLA. Currently, FMLA and HFLL leave is taken concurrently and the language in the new proposal would expand the total leave available up to 24 weeks a year rather than the 16 available now. Moreover, HFLL allows for leave for extended family members that FMLA does not.

**Staffing and Resource Requirements.**

The measure, if enacted, would require a new branch organized under the Wage Standards Division would need to be authorized and funded. The new branch would need to develop and maintain the following sections:

- Operation systems to accept claims; review claims for eligibility and benefits; and payment of benefits.
- Develop and maintain enforcement systems (investigation and audit) to ensure employers are complying with the provisions of the law and rules/regulations.
- Determine internal control and external audit requirements and an accounting system.
- A collections and payments section.

**Appropriation**

DLIR notes that the proposal does not provide seed money and posits that potentially the fund could be depleted quickly. Other laws like TDI or Premium Supplementation used general fund appropriations or one time levy on employers to provide the initial moneys in the fund.

**Delay effective date.**

A fund like this needs some time for implementation and warning to employees and employers. It is not feasible to think that a new system could be set up and operational by July 1, 2014.

**Other Comments**

Section 1 §398-A(c) (pg. 2, lines 3-6): other benefits under labor laws administered by the department have caps, or a maximum weekly benefit amount.

The measure also does not provide a requirement for the timing of the payment of benefits as is provided for in other labor laws administered by the department.

The development and maintenance of an accounting system and keeping track of leave under chapter 398, which provides for hour(s) of leave and intermittent leave, might prove challenging to both employers and the DLIR.

The proposal does not address what happens if the employer does not withhold funds on behalf of the employee and the employee wants to use leave. Other special and trust funds under the department provide benefits when the employer is delinquent or

insolvent. Would employees of other employers subsidize employers' employees' leave if that employer were delinquent or insolvent?

There also may be equity concerns, as part-time and low-income employees may not accrue enough funds to take advantage of the leave that may be available to more highly compensated employees.

Section 1 §398-B(b) (pg.2, lines 15-18): How will the employee know if the employer does not tell them that they are not withholding and/or transmitting moneys to the fund? The language in the measure in these cases then makes the employee responsible for payments into the fund, which will be difficult for the department to assess and administer.