



**Testimony to the Senate Committee on Ways and Means
Monday, April 6, 2015 at 1:30 P.M.
Conference Room 211, State Capitol**

RE: HOUSE BILL 496 HD1 SD1 PROPOSED SD2 RELATING TO EMPLOYMENT

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **strongly opposes** HB 496 HD1 SD1 Proposed SD2, which requires certain employers to provide sick leave to service workers for specified purposes under certain conditions.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 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 members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We are opposed to HB 496 HD1 SD1 Proposed SD2, which requires employers to provide paid sick, family and safe leave to service workers. This is another mandated benefit that will increase the cost to employers and could severely hurt job growth. In addition, it will place a huge burden on companies to manage the accumulation and usage of sick leave as written by this bill. Many small companies do not have a large administrative staff to help manage this new benefit.

Also, employers provide sick leave so workers can recover from a health illness or injury. Many employers are quite generous with sick leave benefits. We believe it is the company's purview to manage their own compensation programs.

Having this apply to companies with 50 or more employees will hurt many small businesses. Also, we do not believe that any statutorily required sick policy should allow employees to have to carryover sick leave as this will create an undue administrative burden and create financial liability for companies. Furthermore, we cannot support the usage of the bill, as this will be different for many companies who offer similar benefits upon a specified anniversary or time at the company.

Just as important, we also oppose the reasons for which workers may utilize sick leave that are beyond the employee's health. Sick leave is generally a benefit for the employee to take care of their own health. This bill provides a broader family and safe leave which will only provide additional burden to employers, increase costs, and may reduce benefits and compensation in other ways.



While most workers utilize their sick leave only when ill, there is a percentage of workers who abuse this benefit. CareerBuilder.com reported that 1 in 4 workers consider sick leave to be vacation time. This bill would make it very difficult for employers to manage their employees and the benefits provided.

For Part I of the bill, we appreciate the study to further study factors in providing a paid family leave system. We do have concerns as the language is not unclear if the study is for an employee paid program via a payroll tax as was in the prior version of the bill.

Finally, please keep in mind that Hawaii was ranked by CNBC as the 49th best state to do business in the country. Hawaii employers cannot afford this new mandate with all the other cost increases and mandates on the books and being considered this session.

We respectfully ask that this bill be held in committee. Thank you for the opportunity to testify.



HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

Randy Perreira
President

The Twenty-Eighth Legislature, State of Hawaii
Hawaii State Senate
Committee on Ways and Means

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Testimony by
Hawaii State AFL-CIO
April 6, 2015

H.B. 496, H.D. 1, S.D.1 – RELATING TO
EMPLOYMENT

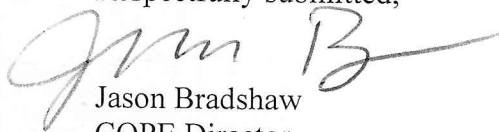
The Hawaii State AFL-CIO strongly supports the proposed S.D. 2 which requires certain employers to provide sick leave to service workers for specified purposes under certain conditions.

Many union members working in Hawaii are fortunate to have access to paid sick days. Even a number of employers that do not have a collective bargaining agreement offer generous paid sick days to their employees and we commend them for providing such benefits. Regrettably, not all workers are provided access to paid sick days. In fact, according to the National Partnership for Women and Families, over 170,000 Hawaii workers or nearly 43 percent of the state's private-sector workforce are not able to take paid sick days when they are ill or when their children are ill. As a result, countless employees attend work sick as many of the 170,000 workers are low-wage service sector workers living paycheck to paycheck. This however can be changed for the better.

Supporting the proposed S.D. 2 will provide workers who need it the most with a few paid sick days a year. Children who are sick will finally be able to stay at home and recover and sick employees will finally have the opportunity to regain their health allowing them to return to work at full productivity. And most importantly, the spread of illness will be greatly reduced among co-workers, school children and the general public. Hawaii will become a healthier state, a more productive state and of course a state that recognizes the impact of how contagious the flu or other diseases can be to Hawaii residents. A small number of paid sick days a year can go a long way to improving the quality of life for many.

Thank you for the opportunity to testify.

Respectfully submitted,



Jason Bradshaw
COPE Director

From: [Russell Kaya](#)
To: [WAM Testimony](#)
Subject: HB 496 SD1
Date: Friday, April 03, 2015 7:24:48 PM

I'm a liberal and understand the desire to provide workers fair benefits and to push for uncomfortable changes for the greater good. I support the idea of this bill, but not this specific bill. The next bill needs to include actual incentives, not demands.

- This bill provides no incentives for businesses to offset the actual costs. Not only does it not motivate employers to support the bill, the bill is simply less effective at passing without an incentive. We would do far better if we provided businesses a clear appropriate financial incentive for providing employees sick leave. The credit doesn't have to be significant to garner support. A small incentive is still an incentive.
- Employees who work for businesses that are close but under the 50 mark will continue to suffer as companies will be less incentivized to grow. This will place more work on less staff because of all the increased extra regulations placed on businesses that are 50+ (ACA, HFLL, etc.) This bill should apply to all businesses.
- This should not be a mandate, but a clearly competitive advantage for businesses to offer. Much like 401k, voluntary benefits, and cafeteria plans which are all optional benefits, business that invest in understanding and proving benefits like these receive corporate savings and attract employees instead of scare them away. A business that doesn't offer sick leave supported by tax credits is clearly not going to attract talent competing in the marketplace against businesses that don't offer competitive and clearly advantageous sick pay.
- Finally, this mandate hurts small and medium businesses and helps larger corporations get larger. Mandating paid sick would lower the competitiveness of smaller companies by mandating they have benefits that all large corporations already have. Large corporations have the resources to absorb compliance costs, but much less so with small and medium businesses. We must protect small and medium size businesses and incentivize them to compete against larger corporations; not forcing them all to provide Wal-Mart benefits. Not every business can compete with Wal-Mart and this just hurts our chances to do so.

Russell Kaya

From: [Marshall Joy](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 10:48:40 AM

Marshall Joy
1125 N. Nimitz Hwy
Honolulu, HI 96817

April 4, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

Just another mandated expense for businesses to absorb. Most companies of more than 50 people already have paid sick leave.
Enough is enough!!!

Sincerely,
Marshall Joy

From: [Joyce Kapololu](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 10:48:40 AM

Joyce Kapololu
1572 Monte Street
Honolulu, HI 96819

April 4, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

I oppose this bill as it allows increased opportunities to workers to take more time off with pay that they already have from the state's HFLL law.

There is increased burden on employers:

- to require payment to employees
- while experiencing reduced labor
- adding to increased expenses
- reducing company productivity
- realizing less revenue to sustain business.

I not passing this law will not hurt the employee because the HFLL law supports their need and choice for paid leave to care for their families.

Laws are also already in place to protect the employee's rights and needs to care for themselves.

Joyce Kapololu

Sincerely,
Joyce Kapololu

From: [Peter Sit](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 10:58:50 AM

Peter Sit
Pono Kai Resort
Kapaa, HI 96746

April 4, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

The Bill requires employers to allow casual worker (10 hours+ per week) to earn sick leaves and carryover sick leaves at the end of the year.

Most casual workers of the Resorts has another fulltime job with benefits including sick leaves and to work 1 or 2 days a week, it's basically to suppliment their income.

By passing the Bill, it will increase the costs of hiring casual workers which can decrease opportunity for employment.

The Committee are doing more harm than gain by passing this Bill.

Sincerely,
Peter Sit

From: [Joni Kamiya](#)
To: [WAM Testimony](#)
Subject: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 11:29:24 AM

Joni Kamiya
45-601 Apapane St
Kaneohe, HI 96744

April 4, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

Business legislation is highly dependent on the economics of the state. To enact legislation not based on economic data is going to have unintended consequences that will ultimately harm them and the people that work for them.

Stop placing added regulations on businesses with no regards for the economics of running it.

Sincerely,
Joni Kamiya

From: [Jacqueline De Luz Watanabe](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 11:49:51 AM

Jacqueline De Luz Watanabe
811 Kanoelehua Ave
Hilo, HI 96720

April 4, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

This is another mandated benefit that will increase the cost to employers and could severely hurt job growth. In addition, it will require a huge burden on companies to manage the accumulation and usage of sick leave as written by this bill. Many small companies do not have a large administrative staff to help manage this new benefit.

We have concerns on specific parts of the bill. We believe that definition of 50 or more employees will hurt many small businesses. Also, we do not believe that any statutorily required sick policy should allow employees to have to carryover sick leave as this will create an undue administrative burden and create financial liability for companies.

Sick leave is generally a benefit for the employee to take care of their own health. This provision provides a broader leave which will only provide additional burden to employers and may reduce benefits and compensation in other ways. While most workers utilize their sick leave only when ill, there is a percentage of workers who abuse this benefit. CareerBuilder.com reported that 1 in 4 workers consider sick leave to be vacation time.

Please do not pass this bill. Thank you for the opportunity to testify.

Sincerely,
Jacqueline De Luz Watanabe

From: [mark & mary benson](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 12:21:34 PM

mark & mary benson
1370 n king street
honolulu, HI 96817

April 4, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

We employ just shy of 100 people, providing 85% with a FAMILY WAGE.

We have not recovered financially from the last recession, and are operating on a very tight budget.

This bill places a huge burden on our business.

Please consider letting the Free Enterprise System work, and encourage people to strive for the next rung up the ladder! We currently have 14 family wage jobs open in our service/parts department, but can't find people!

Sincerely,
mark & mary benson

From: [Lisa Valderueda](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 2:32:33 PM

Lisa Valderueda
94-229 Waipahu Depot Rd., #500
Waipahu, HI 96797

April 4, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

We have concerns on specific parts of the bill. We believe that definition of 50 or more employees will hurt many small businesses. Also, we do not believe that any statutorily required sick policy should allow employees to have to carryover sick leave as this will create an undue administrative burden and create financial liability for companies.

Please do not pass this bill. Thank you for the opportunity to testify.

We have concerns on specific parts of the bill. We believe that definition of 50 or more employees will hurt many small businesses. Also, we do not believe that any statutorily required sick policy should allow employees to have to carryover sick leave as this will create an undue administrative burden and create financial liability for companies.

Please do not pass this bill. Thank you for the opportunity to testify.

This is another mandated benefit that will increase the cost to employers and could severely hurt job growth. In addition, it will require a huge burden on companies to manage the accumulation and usage of sick leave as written by this bill. Many small companies do not have a large administrative staff to help manage this new benefit.

Please do not pass this bill. Thank you for the opportunity to testify.

Sincerely,
Lisa Valderueda

From: [David S De Luz Jr](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 4:58:12 PM

David S De Luz Jr
P O Box 4848
Hilo, HI 96720

April 4, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

I truly appreciate the intent of this legislation with the EXPRESS exception of the word "MANDANTORY" and eventually will be an entitlement that will NOT serve the internet, such as ADA.

we already offer a sick leave benefit AND make accommodations on family leave that is NOT covered and/or currently mandated, on a case by case basis.

Private sector business already carries the HEAVY burden of taxes and mandatory compliance matter, whether they are for team member/employee or other areas, as in safety, work compensation, UI, etc.

PLEASE do not add another MANDATORY requirement, to already a prohibitive list!

I STRONGLY ask that you allow the businesses of Hawaii to be able to compete and NOT have a few examples speak for the majority of us that DO CARE and take care of our team members/employees!

Sincerely,
David S De Luz Jr

From: [mike dixon](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 7:29:35 PM

mike dixon
p o box 461
Haleiwa, HI 96712

April 5, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

I support HB 496 SD1 Proposed D2.

This will improve the quality of life for working class people here in Hawaii.

It is not much of a burden and the Chamber ALWAYS says everything will increase costs and will be a burden to business. It will not effect many businesses here in Haleiwa.

It is complete nonsense that a majority of people consider sick leave as vacation time. It is hard for me to get any employee to take time off and they come in sick when they should be home recovering.

Vote YES pass this law. Thank you for the opportunity to testify.
mike dixon

From: [Sarah Crawford](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Saturday, April 04, 2015 9:20:03 PM

Sarah Crawford
Box 552
Holualoa, HI 96725

April 5, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

Thank you for looking into considering the needs and welfare of hourly employees. Sick/family leave is a minimum requirement for such people, and it is only fair and honorable that employers with 50+ employees provide such leave. Part-time and full-time employees should be recognized and treated as valuable assets, and all too often, nowadays, they are not.

Please pass this measure. It will help employee and, in the long run, employers. Austerity has never helped a government find its way to prosperity.

Thank you for your consideration.

Aloha,
Sarah Crawford

From: [Jeanette Baysa](#)
To: [WAM Testimony](#)
Subject: From Your Constituent: My Position on HB 496 re: Family Leave
Date: Sunday, April 05, 2015 7:32:39 AM

Jeanette Baysa
POBox 228
Mountain View, HI 96772

April 5, 2015

Dear Chair Tokuda Vice Chair Kouchi & Members of the Committee,

RE: HB 496 HD1 SD1 Proposed SD2 (April 6 at 1:30pm WAM Hearing)

Please keep in mind that Hawaii was ranked by CNBC as the 49th best state to do business in the country, or another way to look at it is the 2nd worst state to do business. Hawaii employers cannot afford this new mandate with all the other cost increases in existing mandates and others being considered.

This is another mandated benefit that will increase the cost to employers and could severely hurt job growth. In addition, it will require a huge burden on companies to manage the accumulation and usage of sick leave as written by this bill. Many small companies do not have a large administrative staff to help manage this new benefit.

While this currently doesn't apply to my business, the definition of 50 or more employees will hurt many small businesses. Also, we do not believe that any statutorily required sick policy should allow employees to have to carryover sick leave as this will create an undue administrative burden and create financial liability for companies. This is not a policy that the government should get involved with. The employer has the right to decide on any carryover benefits.

Please do not pass this bill. Thank you for the opportunity to testify.

Sincerely,
Jeanette Baysa