



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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TO: Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
Members, Senate Committee on Ways & Means

FROM: Scott Morishige, MSW
Executive Director, PHOCUSED

HEARING: **Monday, April 6, 2015 at 1:30 p.m. in Conf. Rm. 211**

Testimony in Support of HB496 HD1 SD1, Relating to Employment.

Thank you for the opportunity to provide testimony in **support** of HB496 HD1 SD1, which would appropriate funds to require the office of the Lieutenant Governor to work with the Department of Labor and Industrial Relations (DLIR) to conduct an actuarial study on the cost of implementing a family leave insurance program. PHOCUSED is a nonprofit membership and advocacy organization that works together with community stakeholders to impact program and policy change for the most vulnerable in our community.

Through the work of our members – which include Child & Family Service, Helping Hands Hawaii, the Honolulu Community Action Program, Lanakila Pacific, and many others – we hear stories regularly of low-income working families that are unable to take the time off from work they need to care for a sick loved one or new child without placing their jobs or economic security at immediate risk. The struggle between caring for a loved one and maintaining job security is especially acute here in Hawaii, where families face the highest cost of living in the nation.

The states of California, New Jersey, and Rhode Island have adopted legislation for paid family leave, which allows employees to receive a portion of their wages when they need time off for family or medical reasons. The laws in these states have resulted in significant benefits for both families and businesses. For example, a recent Rutgers study showed that New Jersey's family and medical leave program has saved businesses money, improved employee retention, decreased employee turnover, and improved productivity. In addition, research has found that paid parental leave reduces infant mortality and produces better long-term health outcomes, especially for children with chronic health conditions.

The actuarial study required by this version of the bill will help Hawaii to have the right data needed to design an effective paid family leave insurance program for our state.

Once again, PHOCUSED urges your support of this bill. If you have any questions, please do not hesitate to contact our office at 521-7462 or by e-mail at admin@phocused-hawaii.org.



**Testimony to the Senate Committee on Ways and Means
Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
Monday, April 6, 2015
Conference Room 211, State Capitol**

RE: HOUSE BILL 494, HD1, SD1 Related to Employment

Chair Tokuda, Vice Chair Kouchi and Members of the Ways and Means Committee.

Retail Merchants of Hawaii (RMH) opposes HB 494, HD1, SD1 which requires the office of the lieutenant governor to work with the department of labor and industrial relations to conduct an actuarial study on the cost of implementing the family leave insurance program and the effect that it may have on the existing temporary disability insurance program and prepare a report to the legislature.

As the single largest generator of general excise tax in the State of Hawaii; employing nearly 25% of Hawaii's workforce and representing over 3000 storefronts throughout the State, **RMH strongly opposes HB 494, HD1, SD 1.** The intent of the measure is good, however, would create many unintentional consequences for employers in the future. Retailers/Businesses in the State of Hawaii are bombarded by increased taxes and imposed regulations that make the intent of their survival difficult in our State. It is incumbent upon on all of us to ensure we continue to provide solutions to enhance our business community. By regulating business to increase wages, business owners will be forced to pay higher taxes, benefits, workers compensation costs; thereby decreasing the number of jobs in our communities. As a growing State, it is critical to foster Hawaii's retail/business industries efforts in order to build a legacy for the next generation of future business owners.

Although this measure has an effect period of January 2059, we believe it has the potential to cause many more problems with an already overburdened tax system than it is intended to solve. For this reason, we respectfully request the Senate Ways and Means Committee to OPPOSE HB 496, HD1, SD1

Thank you for the opportunity to provide testimony.

**Retail Merchants of Hawaii
210 Ward Avenue, Suite 121
Honolulu, Hawaii 96814
(808) 592-4200**

The Twenty-Eighth Legislature
Regular Session of 2015

THE SENATE

Committee on Ways and Means
Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
State Capitol, Conference Room 211
Monday, April 6, 2015; 1:30 p.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 496, HD1, SD1
RELATING TO EMPLOYMENT**

The ILWU Local 142 supports H.B. 496, HD1, SD1, which requires the office of the Lieutenant Governor to work with the Department of Labor and Industrial Relations to conduct an actuarial study on the cost of implementing the family leave insurance program and the effect that it may have on the existing temporary disability insurance program and prepare a report to the Legislature.

The federal Family and Medical Leave Act and the Hawaii Family Leave Law both provide for unpaid leave to care for a newborn, adopted or foster child and to care for a seriously ill family member. While these laws recognize the need for family leave, they do not acknowledge the need for most workers to be paid during such leave. H.B. 496, HD1, SD1 is an attempt to address this gap with an actuarial study to determine the cost impacts of a paid family leave program and the effect it may have on the existing TDI program.

The State's current family leave law requires employers with 100 or more employees to provide unpaid family leave up to four weeks. The actuarial study will provide an analysis of the financial impact of increasing family leave to 12 weeks, the same as federal FMLA.

We respectfully request that the actuarial study determine two additional issues: (1) the impact of coverage for all workers, not just those working at companies with 100 or more employees; and (2) the impact of requiring that state family leave be applied after any FMLA is exhausted. Currently, employers with 100 or more employees are permitted to apply both leaves concurrently, effectively nullifying the benefits under the state law.

Expanding family leave coverage is good public policy. Employees will be more loyal to their employers, better parents to their children, and better children to their own parents. Women, who are disproportionately affected, will be spared the difficult decision of providing care to their loved ones or providing for their own future financial security.

The ILWU urges passage of H.B. 496, HD1, SD1. Thank you for the opportunity to share our views and concerns.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 496 HD1, SD1: Relating to Employment

TO: Senator Jill N. Tokuda, Chair, Senator Ronald D. Kouchi, Vice Chair,
And Members, Committee on Ways and Means

FROM: Trisha Kajimura, Social Policy Director, Catholic Charities Hawaii

Hearing: **Monday, April 6, 2015; 1:30 PM; Conference Room 211**

Thank you for the opportunity to provide written testimony in support of HB 496 HD1, SD1, which would appropriate funds to require the office of the lieutenant governor to work with the department of labor and industrial relations to conduct an actuarial study on the cost of implementing the family leave insurance program and prepare a report for the legislature.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy to the most vulnerable of the people in Hawaii.

The issue of caregiving is an important one affecting many families. Costs of caregiving place a burden on all workers. Hawaii's high cost of living, including the highest cost of shelter in the country¹ and food costs for a family of four at 68% more than the mainland², makes living with a low to moderate income very difficult. Not only are families with this level of income spending a high percentage of their income on basic living expenses but also on the regressive General Excise Tax.

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.

The actuarial study and report required by this version of the bill will help Hawaii to have the right data needed to design an effective paid family leave insurance program.

Thank you for the opportunity to testify. Please contact me at (808) 527-4810 or trisha.kajimura@catholiccharitieshawaii.org if you have any questions.

¹ Hawaii 2013 State Housing Profile, National Low Income Housing Coalition. <http://nlihc.org/sites/default/files/SHP-HI.pdf>.

² Based on the U.S. Department of Agriculture's Thrifty Food Plan, which is used as the basis for Supplemental Nutrition Assistance Program benefits. See <http://www.cnpp.usda.gov/usdafoodplanscostoffood.htm>.

