



March 20, 2016

To: Hawaii State House Committee on Labor and Public Employment
Hearing Date/Time: Tuesday, March 22, 2016 (10:30 a.m.)
Place: Hawaii State Capitol, Rm. 309
Re: Testimony of American Association of University Women –
Hawaii in support of H.C.R. 69, requesting the convening of a
paid family leave task force

Dear Representative Mark M. Nakashima (Chair), Representative Jarrett
Keohokalole (Vice Chair), and Members of the Committee,

I am grateful for this opportunity to testify in **strong support of H.C.R. 69**, requesting the convening of a paid family leave task force. Movement forward on family leave is desperately needed by many households in this state, as clearly outlined in the resolution.

My testimony is on behalf of the approximately 440 members of the American Association of University Women (AAUW) in Hawaii, who list the gender pay gap as an important current concern. The resolution reminds us that “paid family and medical leave has been identified as one method to close the wage gap between men and women” (lines 9-10).

The California Family Leave program (enacted in 2004) has been evaluated by a number of researchers, and the reports are positive. For example, Boushey et al. (2013) point to five “economic benefits of family and medical leave insurance:

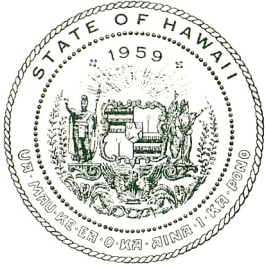
- Family and medical leave participation increases labor-force participation.
- Family and medical leave insurance increases employee retention.
- Family and medical leave insurance has limited or positive impacts on business operations.
- Family and medical leave insurance increases lifetime earnings and retirement security among workers, especially women.
- Family and medical leave insurance increases the use of leave among working fathers.”

A task force focused on considering the California Family Leave Program, and other state plans would be well placed for suggesting further improvements for Hawaii in the 2017 legislative session. In conclusion, passage of H.C.R. 69 is an important step toward decreasing the gender wage gap, and improving health and wellbeing of Hawaii workers and their families, and ultimately, the wider Hawaiian population.

Thank you for the opportunity to testify.

Sincerely
Susan J. Wurtzburg, Ph.D.
Policy Chair

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



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March 22, 2016

To: Representative Mark Nakashima, Chair
Representative Jarrett Keohokalole, 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 HR 33/HCR 69

On behalf of the Hawaii State Commission on the Status of Women, I would like to thank this Committee for hearing these resolutions, which call for a task force to examine the benefits and costs of a state paid family leave program. Paid family leave has been identified as one of the major means to closing the gender wage gap, which is not set to close in Hawaii until 2059. Each year, Hawaii's women lose 1.4 billion dollars annually due to the wage gap. A lack of paid family leave ensures inequality for women, who still disproportionately serve as family caregivers while also serving as the sole or primary breadwinner in 2/3 of working families. In states with paid family leave, there has been an additional increase in men being able to take paid time off to become caregivers, thereby allowing more women to remain in the workforce if they so choose.

This legislature has created family leave and caregiving task forces in the past. 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 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.*"¹²

If passed, this resolution would call for an actuarial and a thorough examination of administrative, technological, and start up costs to implement a state paid family leave program. The Commission supports these resolutions and urges their passage.

¹ Paid Family Leave Working Group of the Joint Legislative Committee on Aging in Place, Report to the Legislature, pursuant to HB 2520 (Act 243), Regular Session of 2008.



March 22, 2016

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

From: Jeanne Y. Ohta, Co-Chair

RE: HCR 69/HR 33 Requesting the convening of a paid family leave taskforce
Hearing: Tuesday, March 22, 2016, 10:30 a.m., Room 309

POSITION: Strong Support

The Hawai'i State Democratic Women's Caucus writes in strong support HCR 69/HR 33 requesting the convening of a paid family leave taskforce to examine the benefits and costs of a potential paid family leave program in Hawaii.

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 that the Caucus strongly supports this measure.

Paid leave makes fiscal sense for small and large businesses because employers are not responsible to pay for the leave time. Paid leave is funded by employees.

We have an economy where many mothers are in the workforce. Nearly 66% of all children in the U.S. have two parents who work or are supported by a single parent. In addition to childcare, by 2020, about 40 percent of the workforce will be providing care for older parents.

It is alarming that nearly 25% of adults in the U.S. have lost or job or been threatened by job loss for leave due to illness and 11% of U.S. workers have access to paid family leave through their employers.

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 significant economic impact on her entire family. Many grandmothers are also caring for grandchildren.

Women in Hawai'i can apply for TDI after giving birth, but it is time-limited. Fathers are not eligible to apply. In Hawai'i the majority of families are "working families" who cannot afford to take unpaid leave. Access to paid family leave alleviates economic instability for struggling families by ensuring job security.

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

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 the formation of a taskforce to study the potential of a paid family leave program.

We ask the committee to pass this measure and thank the committee for the opportunity to provide testimony.



o'ahu

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To: Honorable Mark Nakashima, Chair
Honorable Jarrett Keohokalole, Vice Chair
House Committee on Labor and Public Employment

From: Noriko Namiki, Chief Executive Officer
YWCA O'ahu

Re: Testimony of in support of HR33/HCR69 – Requesting the Convening of a Paid Family Leave Task Force to Examine the Benefits and Costs of a Potential Paid Family Leave Program in Hawaii

Tuesday, March 22, 2016, 10:30 a.m. - Hawaii State Capitol, Rm. 309

Good morning Chair Nakashima, Vice Chair Keohokalole and members of the committee:

On behalf of YWCA O'ahu we thank you for the opportunity to share our testimony in **strong support of HR33 and HCR 69**, which calls for a task force to examine the cost and benefits of a paid family leave program in Hawaii.

Paid family leave would guarantee Hawaii's families' the ability to provide care to their loved ones without fearing financial setbacks or potential job loss. It has also been identified as one of the major means to closing the gender wage gap, which is not set to close in Hawaii until 2059. Each year, Hawaii's women lose 1.4 billion dollars annually due to the wage gap. A lack of paid family leave ensures inequality for women, who still disproportionately serve as family caregivers while also serving as the sole or primary breadwinner in 2/3 of working families. We urge you to support this important first step in addressing the critical needs of Hawaii's women and families.

Thank you for your consideration and for the opportunity to provide testimony on this matter.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 19, 2016 11:58 AM
To: LABtestimony
Cc: laurie.field@ppvnh.org
Subject: *Submitted testimony for HCR69 on Mar 22, 2016 10:30AM*

HCR69

Submitted on: 3/19/2016

Testimony for LAB on Mar 22, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Laurie Field	Planned Parenthood Votes Northwest and Hawaii	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 20, 2016 11:51 AM
To: LABtestimony
Cc: pc70@cornell.edu
Subject: Submitted testimony for HCR69 on Mar 22, 2016 10:30AM

HCR69

Submitted on: 3/20/2016

Testimony for LAB on Mar 22, 2016 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Patrick Callahan	Individual	Support	No

Comments: Set up a task force to look at paid family leave benefits and costs, and requests various stakeholders to perform an actuarial analysis.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

March 22, 2016

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

Date: Tuesday, March 22, 2016
Time: 10:30 a.m.
Place: Conference Room 309, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.C.R. No. 69/H.R. 33 Requesting the Convening of a Paid Family Leave Task Force To Examine the Benefits and Costs of A Potential Paid Family Leave Program in Hawaii

I. OVERVIEW OF PROPOSED LEGISLATION

HCR69/HR33 proposes to convene a paid family leave task force (PFLTF) to determine how paid family leave might operate in Hawaii. The task includes various stakeholders including representatives from the Senate, House, DLIR, Executive Office on Aging, The Status of Women Commission, labor unions, care giving agencies and various size business representatives.

The PFLTF is requested to examine different programs that are extensions of temporary disability insurance (TDI) programs, and programs that are not extensions of TDI, look at costs associated with the programs, work with an economic analysis firm to develop an actuarial picture, and write a report twenty days before the 2017 legislative session that includes potential legislation to implement their findings. The task force ceases to exist at the end of 2017.

The Department supports the measure and offers comments, including requested amendments.

II. CURRENT LAW

Enacted in 1969, the Hawaii TDI law (chapter 392, Hawaii Revised Statutes (HRS)) requires employers to provide partial "wage replacement" insurance coverage to their eligible employees for non-work related injury or sickness,

including pregnancy.

This means that if an employee is unable to work because of an off-the-job injury or sickness and the employee meets the qualifying conditions of the law, the disabled employee will be paid disability or sick leave benefits to replace part of the wages lost.

An employer may adopt one or more of the following methods of providing TDI benefits:

- 1) By purchasing insurance, called an “insured” plan, from an authorized insurance carrier.
- 2) By adopting a “self-insured” plan, which must be approved by the department. As a self-insurer, the employer must show proof of financial solvency and ability to pay benefits.
- 3) By a collective bargaining agreement that contains sick leave benefits at least as favorable as required by the TDI Law.

The employer’s plan determines how much benefit the employee will receive each week, how long the employee will be paid and whether the employee has to serve a waiting period.

- If the employer has a statutory plan, i.e. a plan that provides benefits according to the minimum benefit standards as required by law, the employee is entitled to disability benefits, from the eighth day of disability for a maximum of 26 weeks, at 58% of the employee’s average weekly wages up to the maximum weekly benefit amount that is set annually (\$570, 2016).
- If the employer has a sick leave plan that differs from statutory benefits and has been approved by the department as an equivalent or better-than-statutory plan, the weekly benefit amount, duration of payments, and whether or not a waiting period is required will be determined by the plan.

The employer may pay for the entire cost of providing TDI coverage, or the employer may share the cost equally with the employees eligible for coverage. However, the employee’s contribution cannot exceed 0.5% of the employee’s weekly wages, nor the maximum weekly deduction (\$4.91, 2016).

Chapter 398, HRS, Hawaii Family Leave Law, provides four (4) weeks of unpaid protected leave to care for serious ill family member or a newborn or adopted child. Where employers offer sick leave, the law requires up to ten days of sick leave be allowed to be used for family leave, if above and beyond what is required under the TDI law.

The federal Family Medical Leave Act (FMLA) provides twelve (12) weeks of unpaid protected leave from the job.

The federal Family Medical Leave Act (FMLA) provides twelve (12) weeks of unpaid protected leave from the job.

III. COMMENTS ON THE SENATE CONCURRENT RESOLUTION

The department has testified for years about the complexity entailed in developing family and sick leave laws, and perhaps more important, the challenges to implementation DLIR welcomes this opportunity to participate in exploration of this important matter. DLIR recognizes that unpaid leave away from work jeopardizes the employee's ability to provide for their family. Paid sick leave also induces a healthier work environment by encouraging workers to stay home when they are sick. Workers who show up sick are likely to infect others and cause further productivity losses.

DLIR suggests the following amendments.

- 1) Expand the examination of paid family and medical leave programs beyond just state paid ones to include private sector programs.
- 2) An appropriation in the budget to include money for the economic analysis firm and consultants.
- 3) The inclusion of insurers on the task force, including at least one offering TDI coverage.



Chamber of Commerce HAWAII
The Voice of Business

LATE

**Testimony to the House Committee on Labor & Public Employment
Tuesday, March 22, 2016 at 10:30 A.M.
Conference Room 309, State Capitol**

RE: HOUSE CONCURRENT RESOLUTION 69/ HOUSE RESOLUTION 33

Chair Nakashima, Vice Chair Keohokalole, and Members of the Committees:

The Chamber of Commerce of Hawaii ("The Chamber") **supports the intent of HCR 69/HR 33**, which requests the convening of a paid family leave task force to examine the benefits and costs of a potential paid family leave program in Hawaii.

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 appreciate the convening of a task force to better understand the efforts to set up this program and its effects on business and employees in the state. We ask that the Chamber be included as a member of the task force to provide input from a business organization perspective.

Thank you for the opportunity to provide testimony.



Hawaii
Children's Action Network
Building a unified voice for Hawaii's children

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March 22, 2016

LATE

To: Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokalole, Vice Chair
House Committee On Labor & Public Employment

From: Deborah Zysman, Executive Director
Hawaii Children's Action Network

Re: **HCR 69/HR33- Requesting the Convening of a Paid Family Leave Task Force to Examine the Benefits and Costs of a Potential Paid Family Leave Program in Hawaii - SUPPORT**
Hawaii State Capitol, Conference Room 309 – March 22, 2016 – 10:30 AM

On behalf of Hawaii Children's Action Network (HCAN), formerly Good Beginnings Alliance, we are writing in strong support of HCR 69/HR33- Requesting the Convening of a Paid Family Leave Task Force to Examine the Benefits and Costs of a Potential Paid Family Leave Program in Hawaii.

HCAN is committed to improving lives and being a strong voice advocating for Hawai'i's children. Last fall, HCAN convened input in person and online from more than 50 organizations and individuals that came forward to support or express interest for a number of issues affecting children and families in our state that resulted in the compilation of 2016 Hawai'i Children's Policy Agenda, which can be accessed at <http://www.hawaii-can.org/2016policyagenda>.

HCAN supports these resolutions, which would establish a Paid Family Leave Insurance Task Force to study and provide an actuarial analysis of state family and medical leave programs, including the following:

- Examine state paid family and medical leave programs that offer employees paid family and medical leave through an extension of Temporary Disability Insurance programs;
- Examine state paid family and medical leave programs in states that have enacted but do not use Temporary Disability Insurance as a foundation for the program;

- Gather information on the costs, including administrative start-up, technology build-out, and staffing costs, required to establish a state paid family and medical leave program in Hawaii;
- Work with an economic analysis firm or program to develop an actuarial for the benefits offered by a State paid family and medical leave program; and
- Review past legislative reports on care giving task force and paid leave.

Currently, Hawai'i employees do not have a right to paid medical or family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees. The state Family Leave Act applies to employers with 100 or more employees and allows for job protection up to four weeks. This is also unpaid leave.

According to the U.S. Department of Labor, Bureau of Labor Statistics, about 13 percent U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected, as they are the primary caregivers of infants, children and aging parents. The lack of paid family leave exacerbates the gender wage gap for women but affect the economic stability for both women and men who are caregivers.

Hawai'i has the fastest growing aging population in the nation. Our senior (age 65+) population is expected to grow 81 percent by 2030. Approximately, one in three workers report they need leave to care give for an ill spouse or parent but cannot take the time off.

It's a stark reality when employees face the dire choices of needing to be able to care for newborn children, or sick children, spouses or parents, but also needing to work to sustain their family's income. This bill will enable workers to take a small number of weeks out of the workforce and not have to face the impossible choice between their family member's health and their income or jobs.

The purpose of this legislation is to study and provide recommendations for the provision of partial wage replacement for employees needing to provide care for family members. Other states including California, New Jersey, Rhode Island and Washington and dozens of cities and counties have implemented paid family leave programs and momentum is building to establish similar programs in other states and jurisdictions.

Hawai'i's working families need a paid family leave standard, especially with our growing aging population. Families should not have to risk their family's economic security to meet their care giving obligations.

For these reasons, HCAN respectfully requests that the committee pass HCR 69/HR33- Requesting the Convening of a Paid Family Leave Task Force to Examine the Benefits and Costs of a Potential Paid Family Leave Program in Hawaii.



Tuesday, March 22, 2016
10:30 AM
Conference Room 309

LATE

healthy
mothers

healthy
babies

COALITION
OF HAWAII

To: House Committee Members on Labor & Public Employment
From: Lisa Kimura, Executive Director, Healthy Mothers Healthy Babies Coalition of Hawaii
Re: Testimony in Strong Support of HCR 69: Paid Family Leave / Family Leave Task Force

Thank you for this opportunity to provide testimony in support of HCR 69, requesting the convening of a paid family leave task force. This information-gathering will be vital for determining the true costs for implementation of this important program.

Paid Family Leave enables families the opportunity to receive paid leave for family caregiving responsibilities. Hawaii families frequently find themselves choosing between a paycheck and their family needs during critical periods of life – something no one should be forced to do.

It is important that the task force investigate costs to reflect a program that provides **universal eligibility for all employees, regardless of company size:**

1. An eligibility threshold makes the program unsustainable, will be impossible to enforce/monitor, and will cost employees more money.
2. No social insurance fund premises eligibility on a certain number of employees. Universal coverage is needed for a program like this to operate.
3. Currently NO paid family leave law in the nation provides for a carve-out for businesses at a certain number of employees-- this not only sets a bad precedent for the nation, but it also prevents small business from being able to provide competitive benefits to employees and provides further disincentive to work or run a small business.

We are working 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 (including spouses and parents)** with a serious illness, this means not having to choose between a paycheck and family.

Paid Family Leave (PFL) has significant positive effects on maternal and child health, including:

- **Infant and Child Mortality:** International studies suggest that newborn leave is associated with lower infant and child mortality rates.
- **Breastfeeding:** Women are less likely to breastfeed exclusively, and they breastfeed their infants for a shorter period of time the sooner they return to work after giving birth.
- **Child Development:** Early maternal employment (e.g., within the first year of the child's life) is associated with detriments in children's development. Negative effects are worse if mothers return to work early and full-time.
- **Paternal Involvement:** Fathers who take time off for leave spend more time with and are more involved with their children, both around the time of birth and in later months.
- **Maternal Depression and Anxiety:** Generally, shorter leaves are associated with more symptoms of maternal depression or anxiety, and longer leaves are associated with better mental health, with these effects seen as early as 6 weeks postpartum.

Paid leave is pro-business, pro-family, and a win-win for employees, small and large businesses, and ultimately, Hawaii's economy.

We appreciate the committee considering this resolution, and ask you to please pass it, in an effort to move forward on establishing actual cost estimates for implementation. Thank you for the opportunity to testify.

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