



**Testimony to the Senate Committee on Judiciary & Labor
Tuesday, February 16, 2016 at 9:00 A.M.
Conference Room 016, State Capitol**

RE: SENATE BILL 2456 RELATING TO LABOR

Chair Keith-Agaran, Vice Chair Shimabukuro, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **opposes** SB 2456, which requires certain employers with fifty or more employees to provide sick leave to service workers for specified purposes under certain conditions. Defines the terms "service worker" and "employer". Effective 1/1/17.

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 SB 2456, which requires employers to provide paid sick 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 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 also 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. Furthermore, we cannot support the earned start date, as this will be different for many companies who offer similar benefits upon a one year anniversary.

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 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. This bill would make it very difficult for employers to manage their employees and the benefits provided.



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.



Randy Perreira
President

HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Twenty-Eighth Legislature, State of Hawaii
Hawaii State Senate
Committee on Judiciary and Labor

Testimony by
Hawaii State AFL-CIO
February 16, 2016

S.B. 2456 – RELATING TO HEALTH

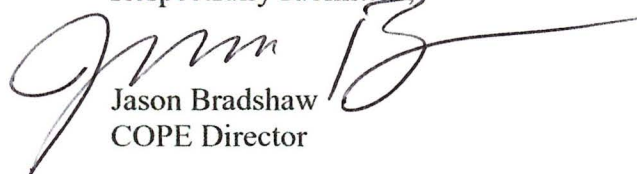
The Hawaii State AFL-CIO supports S.B. 2456 which requires certain employers with fifty or more employees to provide sick leave to service workers for specified purposes under certain conditions.

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 S.B. 2456 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



Executive Officers:
Derek Kurisu, KTA Superstores - Chairperson
John Erickson, Young's Market Company – Vice Chair
Bob Stout, Times Supermarkets – Secretary/Treasurer
Lauren Zirbel, Executive Director

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

TO: COMMITTEE ON JUDICIARY & LABOR
Senator Gilbert S.C. Keith-Agaran, Chair
Senator Maile S.L. Shimabukuro, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: Tuesday, February 16, 2016
TIME: 9:00 am
PLACE: Conference Room 016

RE: SB2456

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

Our member employers understand that employees will require occasional leave from work due to a legitimate sickness or other reasons, and generally accommodate and work with them.

This bill's proposed "one-size fits all" approach will hinder an employer's flexibility in providing sick leave and will result in additional costs, both directly and indirectly. Full time employees receive traditionally paid sick leave as an earned benefit. Mandating it for part time and hourly employees would greatly increase costs to employers. For many businesses this could mean that they would no longer be able to afford to employ as many people and would be forced to eliminate jobs.

Small businesses are especially vulnerable to any increase in costs, especially those that operate on low margins. Passage of this measure may also force many small employers to offset higher costs through lower wages to their employees, fewer work hours and pay raises, decreased discretionary benefits, or increased costs for consumers. Even worse, for those companies on the "tipping point," any increase may force them to close.

At a time when the State is placing an emphasis on jobs and the economy, this measure and any other mandate that creates additional perceived or real costs, will undermine those efforts, hinder economic progress and entrepreneurial activity, and deter business investment in our State.

In light of this, we respectfully request that this measure be held.

Thank you for the opportunity to testify.



HAWAII RESTAURANT ASSOCIATION

2909 Waialae Avenue #22 Honolulu, Hawaii 96826

Office: (808)944-9105 Fax: (808)441-5355

info@hawaiirestaurant.org www.hawaiirestaurant.org

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Date: February 14, 2016

To: Chair Keith-Aragan, Vice Chair Shimabukuro, and Members of the Committee on Judiciary and Labor

From: Victor Lim, Legislative Chair, Hawaii Restaurant Association

Subj: SB 2456 Relating to Sick Leave for Service Workers

The Hawaii Restaurant Association Opposes SB 2456 which requires certain employers to provide sick leave to service workers for specified purposes under conditions. This will be another mandated benefit that will greatly increase the economic burden on the businesses and at the same time create additional administrative work such as managing the accumulated benefits that small businesses do not normally have big administrative staff to do.

HRA has been servicing the restaurant industry here in Hawaii for 69 years representing over 3,300 restaurants making up mostly of small businesses. We are in most cases the first employer for people entering the work force and at the same time provides tremendous opportunities for individual growth. 9 in 10 restaurants managers start at entry level, and 8 in 10 restaurant owners also start at entry level.

Thank you for giving us the opportunity to testify on this.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 15, 2016 8:07 AM
To: JDLTestimony
Cc:
Subject: Submitted testimony for SB2456 on Feb 16, 2016 09:00AM

SB2456

Submitted on: 2/15/2016

Testimony for JDL on Feb 16, 2016 09:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Bill Comerford	Hawaii Bar Owners Association	Oppose	Yes

Comments: The Hawaii Bar Owners Association opposes this bill. I don't know how well you believe our industry is doing but it is not strong or robust and very fragile. We feel it is unfair to pile on mandated benefit upon benefit for the employee without concern for the industry. Are the benefits desirable ,yes? But affordable, no. Our industry is a key cog in the tourism industry and a necessary part of the nightlife sought by those visitors yet by continued demands for employees with healthcare, increased minimum wages, minimal tip credit, sick leave, mandated breast feeding areas, smoking bans, etc. while ignoring the health of the business is foolhardy. If the business does not survive neither will the employee benefits. Ten years ago there were approximately twenty five cabaret licenses in Waikiki while today there remains six. The industry is dying right before you and you will only ask "Where did it go?" once it is gone. It will be gone along with the employees' jobs. Our legislature should take a positive turn at recognizing all these mandated benefits need balance or the provider will disappear to no employee's benefit nor our tourism industry's benefit. Please defer this bill.

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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