

Honolulu, Hawaii

February 16, 2018

RE: H.B. No. 1727

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1727 entitled:

"A BILL FOR AN ACT RELATING TO LABOR,"

begs leave to report as follows:

The purpose of this measure is to require employers defined under the federal Fair Labor Standards Act to provide minimum wage workers with paid sick leave to employees to be used during absences from work due to an employee's illness or need for preventive medical care, or to care for a family member who is ill or needs preventive medical care, or during a public health emergency to care for a child or family member.

The Hawaii State AFL-CIO; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO; Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii; International Longshore and Warehouse Union Local 142; and an individual testified in support of this measure. The Hawaii Food Industry Association; Hawai'i Restaurant Association; National Federation of Independent Business; Hawaii Credit Union League; The Chamber of Commerce Hawaii; Society for Human Resource Management, Hawaii Chapter; Retail Merchants of Hawaii; Quicksilver Charters; IL Gelato Hawaii; Calypso Charters; Tiki's Grill & Bar; Cheeseburger Restaurants; Big City Diner; Highway



Inn; Minit Stop Stores; and an individual testified in opposition to this measure. The Department of Labor and Industrial Relations; Department of Human Resources Development; City and County of Honolulu Department of Human Resources; Hawaii Children's Action Network; Hawaii Appleseed Center for Law & Economic Justice; and American Council of Engineering Companies of Hawaii commented on this measure.

Your Committee has amended this measure by:

- (1) Excluding employers that employ less than 50 employees from paid sick leave requirements;
- (2) Establishing a graduated wage increase above the prevailing minimum wage that an employer must meet to be excluded from paid sick leave requirements; and
- (3) Changing its effective date to January 1, 2050, to enable continued discussion.

Your Committee is mindful of concerns within the business community that healthcare insurance premiums continue to rise and are likely to increase even more. Rising healthcare costs is a concern shared by other employers and the public as well. Your Committee notes that this measure excludes certain employers from paid sick leave requirements, including employers who employ less than 50 employees. Your Committee also notes that the statutory definition of a small employer with respect to group health insurance plans in the State is an employer who employs no more than 50 employees. This measure gives flexibility to employers to offer paid sick leave to minimum wage and other employees or to pay minimum wage employees a salary that is more than the prevailing minimum wage.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1727, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1727, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Public  
Employment,



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AARON LING JOHANSON, Chair



