

Honolulu, Hawaii

APR 06 2018

RE: H.B. No. 1727
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1727, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LABOR,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the right of certain employees in the State to accrue and use paid sick leave.

Your Committee received written comments in support of this measure from AFL-CIO, Hawaii Government Employees Association, Hawaii State Teachers Association, ILWU Local 142, International Brotherhood of Electrical Workers Local Union 1260, and three individuals.

Your Committee received written comments in opposition to this measure from ABC Stores; Centerscale Automation Hawaii, Inc.; Chamber of Commerce Hawaii; Gyotaku Japanese Restaurants; Hawaii Credit Union League; Hawaii Food Industry Association; Hawaii Lodging & Tourism Association; Hawaii Petroleum, Inc.; Hawaii Restaurant Association; Il Gelato Hawaii; Kalapawai Market & Cafes; Kualapuu Market, Ltd.; Maui Chamber of Commerce; Maui Soda & Ice Works, Ltd.; NFIB; Outback Steakhouse; Retail Merchants of Hawaii; SHRM Hawaii; Tiki's Grill & Bar; and three individuals.



Your Committee received written comments on this measure from the Department of Labor and Industrial Relations; Hawaii State Commission on the Status of Women; Hawaii Appleseed Center for Law & Economic Justice; Hawaii Children's Action Network; IMUAlliance; ProService Hawaii; Queen's Health Systems; and YWCA Oahu.

Your Committee notes that some supporters of the measure have raised concerns that the measure is too limited in its application. More specifically, supporters have noted that the measure exempts employers with fewer than fifty employees from complying with the measure, and that employees must work four hundred eighty hours before paid sick leave benefits accrue. There is a concern that these limitations will exclude from the protections of the measure a large number of employees, including those who work full-time but do so by working at several part-time jobs. Some supporters also note that the measure would exempt employers who pay wages that are only slightly higher than the minimum wage from complying with the measure.

Your Committee acknowledges that, in contrast, some opponents of the measure, many of which are businesses of varying sizes, have raised concerns about the increased costs that the measure may create for businesses and employees. More specifically, opponents noted that labor costs are already a significant business expense, and additional labor costs combined with the impact of low unemployment make running a business even more challenging. These challenges may lead businesses to consider cutting jobs, eliminating benefits, abandoning plans for growth, raising prices, or closing altogether. Opponents express that, to avoid these outcomes, government should take steps to remove obstacles to growth, job creation, and economic stability, rather than adding costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1727, H.D. 1, S.D. 1, and recommends that it pass Third Reading.



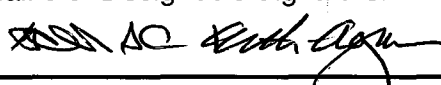
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
HB1727 HDI SDI	LBR, WAM	4/3/18
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
	Nay	Excused
DELA CRUZ, Donovan M. (C)	X	
KEITH-AGARAN, Gilbert S.C. (VC)	X	
ENGLISH, J. Kalani	X	
GALUTERIA, Brickwood	X	
HARIMOTO, Breene		X
INOUYE, Lorraine R.	X	
KAHELE, Kaiali'i	X	
KIDANI, Michelle N.		X
RIVIERE, Gil	X	
SHIMABUKURO, Maile S.L.	X	
WAKAI, Glenn	X	
TOTAL	9	2
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

*Only one measure per Record of Votes