



EXECUTIVE CHAMBERS
HONOLULU

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GOVERNOR

Testimony of **Ford Fuchigami**
Administrative Director, Office of the Governor

Before the
Senate Committee on Ways and Means
April 3, 2018
10:00 a.m., Conference Room 211

In consideration of
House Bill No. 2598 HD2 SD1
RELATING TO FAMILY LEAVE

Chair Dela Cruz, Vice-Chair Keith-Agaran, and committee members:

Thank you for the opportunity to provide comments in **Strong Support for House Bill 2598 HD2 SD1**.

We believe it is indeed time we implement a paid family leave program which will benefit all workers across the state, but find it is particularly important for those workers and their families who are living paycheck to paycheck.

The Governor's Office appreciates the hard work done by the Senate Labor Chair and House Labor and Public Employment Chair to move this important issue forward and supports the approach taken by this bill to stand up the program so it is prepared to begin collecting payments by July 1, 2021 and begin processing payments by July 1, 2022.

We are committed to work with both the Senate and House on the measure.

Thank you for the opportunity to submit testimony.



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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April 3, 2018

To: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Tuesday, April 3, 2018

Time: 10:00 a.m.

Place: Conference Room 211, State Capitol

From: Leonard Hoshijo, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. NO. 2598 HD2 SD1 RELATING TO FAMILY LEAVE

I. OVERVIEW OF PROPOSED LEGISLATION

This proposal amends Chapter 398, Hawaii Revised Statutes (HRS), by establishing the paid family leave special fund and appropriates an unspecified amount to the special fund that will fund an implementation board as well as a Legislative Reference Bureau actuarial analysis. Employee and employer contributions would go into the fund to pay for permanent and temporary staff positions, administration, and operational costs to establish paid family leave for all workers in the State.

The bill requires DLIR to adopt rules pursuant to Chapter 91, HRS, to establish paid family leave for all workers in the State by January 1, 2020, and allows DLIR to adopt interim rules exempt from Chapter 91. It also establishes a paid family leave implementation board within DLIR for administrative purposes, to assist DLIR in establishing paid family leave for all workers in the State, to develop an analysis and implementation plan, and to develop and adopt recommendations to assist businesses complying with paid family leave through tax credits or deductions, grants for the hiring of temporary workers through a supplemental fund, or other means.

DLIR supports the intent of this proposal to provide access to paid family leave and offers comments, including concerns about adequate resources for this complex and important venture. DLIR notes that the measure provides the DLIR rule-making authority to collect contributions. Should this funding mechanism be considered a tax,

then the funding mechanism would fall exclusively under the Legislature's authority.

II. CURRENT LAW

Hawaii Family Leave Law provides four weeks of protected, unpaid leave for employees of employers with 100 or more employees, on the birth or adoption of a child or to care for the employee's child, spouse, reciprocal beneficiary, sibling, or parent with a serious health condition.

Hawaii currently has an existing medical leave law, the Temporary Disability Insurance law (TDI), chapter 392, HRS. The TDI law provides partial wage replacement for an eligible employee's own disability. TDI coverage and benefit payments are primarily processed through private insurance companies and employer self-insurance sick leave policies. Therefore, no employee/employer tax collection infrastructure exists for this benefit program.

III. COMMENTS ON THE HOUSE BILL

DLIR supports the intent and appreciates that this measure recognizes the complicated nature of the request to implement a paid family leave law by creating the paid family leave implementation board. The Department has established dialogue with other states with paid family leave laws to understand how the other states implemented their programs.

A mandate to cover all workers (and their employers) in the State may be premature, and preclude the implementation board from considering costs and benefits in its deliberations. Which workers, of which establishments, vary among the other states.

An implementation board would likely develop appropriation request(s) for the Legislature.

The request to report back to the 2019 Legislature may be ambitious considering the time required to hire a "program manager" to support the implementation board. "Program managers" are either BU13 or EMCP employees and DLIR is unsure of the intent of this part of the appropriation and who is envisioned to describe, recruit, and select for the position. It is likely that establishing the position, recruiting and filling will at minimum take six months, or about time the first report is due. Similarly, implementing a program by January 1, 2020, considering other states' experiences who had existing infrastructure to work from or substantial resources, may prove quite challenging.

Similarly, establishing the board will likely take several months as the various appointing authorities will need to recruit for the thirteen appointed members of the board.

DLIR is unsure of what would constitute an adequate appropriation for FY2018-2019,

however, to implement a paid family leave program with the assistance of the implementation board may require significant appropriation amounts depending on the range of various methods potentially suggested by the board. Washington State's program, which is a social insurance model and being developed from the ground up, is being implemented with an \$82 million general fund loan, has twenty-five staff, plans to increase to fifty soon, and projects a total of 150 staff to run the program eventually.

DLIR obtained an estimate of \$25-\$30 million for the IT portion of the project from a local vendor to develop the required hardware and software over an initial five-year period. Washington projects spending between \$30 – \$50 million to develop its IT infrastructure over eight years, intending it for use across multiple programs.

When the Legislature considered adopting major workers' compensation reform or the adoption of TDI or Prepaid Healthcare Laws, it has instructed the Legislative Reference Bureau to commission a study, including a detailed actuarial component, before enacting those labor benefits and protections that form part the bedrock of Hawaii's labor protections¹. Therefore, DLIR is appreciative that the measure contains a provision for the Legislative Reference Bureau to do a study that includes an actuarial analysis.

DLIR notes, however, that actuarial analyses are often quite costly. Act 188 (SLH, 2015) required the State Auditor to contract with an actuarial firm that has experience conducting workers' compensation closed claims studies in the United States to perform a study of closed claims in the State's workers' compensation system, however, the \$150,000 was insufficient to procure an actuarial firm. Further, the procurement process is likely to leave little or no time to produce any analysis by the date a report is due to the Legislature in 2019.

DLIR suggests that the Legislative Reference Bureau also consider appropriate statutory placement for a paid family leave program.

DLIR suggests that more discussion about the makeup of the Board should occur as this vehicle continues through the legislative process.

Lastly, DLIR notes future Legislative action may be needed to establish tax credits or deductions, deductions to assist employers.

¹ <http://lrbhawaii.info/lrb/rpts/63/63workcomp.pdf>

<http://lrbhawaii.info/lrb/rpts/67/tdi.pdf>

<http://lrbhawaii.info/lrb/rpts/67/prepaid.pdf>

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



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April 3, 2018

To: Sen. Dela Cruz, Chair
Sen. Keith-Agaran, Vice Chair
Honorable Members of the S. Committee on Ways and Means

From: Khara Jabola-Carolus
Executive Director
Hawaii'i State Commission on the Status of Women

Re: Testimony in Support, HB2598 HD2 SD1

On behalf of the Commission on the Status of Women, I thank you for this opportunity to testify in support of HB2598, with concerns and reservations as to the language of SD1. HB2598, if passed, would require the Department of Labor and Industrial Relations (DLIR) to adopt rules by 2020 that establish paid family leave for all workers. The bill also establishes the Paid Family Leave Implementation Board to assist the Department and report to the Legislature, and repeals the Board on January 1, 2024.

We know that paid family leave helps families and helps the economy, because families are socially and economically strengthened when 1) family leave is provided by an employer and 2) that family leave is paid leave. Last year, the U.S. Department of Labor granted the Hawaii'i State Department of Human Services \$240,000 to produce a comprehensive feasibility and implementation study through the Hawaii'i State Commission on the Status of Women, with economic analysis and actuarial to determine paid leave costs to the state (<https://www.dol.gov/wb/media/paidleavegrants.htm>).

The Paid Family Leave Grant Analysis Report was published in November 2017. The report's cost and usage estimates were based on Hawaii'i numbers, as well as factors unique to Hawaii'i such as our high cost of living, high number of multi-generational households, and semi-privatized temporary disability insurance (TDI) system. Very few states already have this depth of localized data. Previous U.S. DOL reports have jumpstarted paid family leave programs in New York, Washington, and Rhode Island.

Based on the aforementioned, the Commission recommends the following amendments:

1. Add "16" before weeks to Sec. 3(b)(1).
2. Delete section 4(f) in its entirety. Hawaii'i has already conducted a comprehensive analysis of potential paid family leave models and provided all underlying data necessary to implement paid family leave in Hawaii'i.¹ The mandated LRB report would be redundant and wasteful.
3. Delete section 6 in its entirety. The creation of an implementation board to weigh the 2017 Paid Family Leave Grant Analysis Report is another unnecessary excess. Legislators have enough data to mandate the best model for Hawaii'i. The findings from the 2017 study were clear that the most administratively viable, efficient and cost-effective paid family leave program for Hawaii would be a social insurance model, not employer provided-TDI.
4. Add new language that mandates a social insurance model over employer mandate, per the findings of the 2017 *Hawaii State Paid Family Leave Grant Analysis Report*.
5. Add specific language that subjects the implementation board to Sunshine Law requirements.

The Commission therefore supports HB2589 SD1 with the requested amendments and urges the Committee to pass this important measure.

Sincerely,

Khara Jabola-Carolus

¹ *Hawaii State Paid Family Leave Grant Analysis Report*, Nov. 2017, https://www.dol.gov/wb/media/Hawaii_Report_Final_2.pdf



April 3, 2018

To: Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair and
Members of the Committee on Ways and Means

From: Jeanne Y. Ohta, Co-Chair

RE: HB 2598 HD2 SD1 Relating to Family Leave
Hearing: Tuesday, April 3, 2018, 10:00 a.m., Room 211

POSITION: Support

The Hawai'i State Democratic Women's Caucus writes in support of HB 2598 HD2 SD1 Relating to Family Leave. Hawaii's workers and businesses need family leave insurance. A family leave insurance program enables workers to take time off during major life events and helps businesses retain key employees and remain competitive. The Family and Medical Leave Act (FMLA) and Hawaii Family Leave Law (HFLL) leave out a significant portion of Hawaii's workforce, and neither law offers paid time off from work. This means that even those who technically qualify for unpaid family leave under state or federal law may not be able to afford to take adequate time off to meet their family's needs.

HSDWC believes that it is important for Hawaii's Paid Family Leave program to follow a social insurance model like Social Security that would cover all workers.

Family leave insurance promotes gender equity in the workplace and economic stability for women. Access to paid family leave makes mothers more likely to return to work after the birth of a child, makes women return to work more quickly, and makes women more likely to return to the same or higher wages than they were earning before they gave birth.

Paid family leave encourages women to participate in the workforce. With Hawaii's extremely low unemployment rate, businesses have a shortage of employees. Encouraging additional labor participation is good business and good for Hawaii's economy.

Women who take paid parental leave and return to work are 39% less likely to receive public assistance and 40% less likely to receive food stamps than women who do not take paid leave and return to work.

The availability of family leave insurance benefits leads to increased rates of breastfeeding, which has been shown to have long-term health benefits.

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.

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



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Senate Committee on Ways and Means
Tuesday, April 3, 2018
10:00 a.m.
Conference Room 211

To: Senator Donovan Dela Cruz, Chair
Re: H.B. No. 2598, H.D. 2, S.D. 1, Relating to Family Leave

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committee,

My name is Kerry M. Komatsubara and I am the Advocacy Director for AARP Hawaii. AARP is a membership organization of people age fifty and over with about 150,000 members in Hawaii. AARP advocates for issues that matter to Hawaii families and we strive to serve as a reliable information source on issues critical to people over the age of fifty.

The Need for Paid Family Leave

Family caregivers are the backbone of Hawaii's long term care system. They are the first line of assistance for most people, helping to make it possible for older adults and people with disabilities to remain at home, and out of costly, taxpayer-funded institutions like nursing homes.

Working family caregivers have varying leave needs. Whether they work full time or part time, they must often divert attention away from their jobs to make work-related adjustments to accommodate the needs of the person who needs care. The vast majority (74 percent) of family caregivers have worked at a paying job at some point during their caregiving experience, and most (58 percent) are currently employed either full-time or part-time, setting up a stressful juggling act between work, their caregiving role, and other family responsibilities. And when work requirements conflict with family obligations, some employed family caregivers have to make difficult decisions that can lead to lost wages and missed career opportunities.

The practical reality is that many workers in Hawaii, struggling to make ends meet from paycheck to paycheck, simply cannot afford to take unpaid leave. We support paid family leave in Hawaii because we believe family caregivers should not have to choose between taking care of mom or dad, or losing a paycheck, or even risk losing their job.

Arriving at a Workable Program

AARP Hawaii supports the concept of paid family leave in Hawaii, and we believe that H.B. No. 2598, H.D. 2, S.D. 1, is a sensible approach to "lay the groundwork to implement a paid family leave framework of laws and policies so that all employees can access leave benefits during times when they need to provide care for a family member." (Citing the last paragraph of Section 1 of H.B. No. 2598, H.D. 2, S.D. 1.) We urge this Committee to take favorable action on this bill.

Thank you for the opportunity to present this testimony on H.B. No. 2598, H.D. 2, S.D. 1.

AARP
Real Possibilities



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Members, Committee on Ways and Means
Paula Yoshioka

From: Paula Yoshioka, Vice President, Government Relations and External Affairs, The
Queen's Health Systems

Date: March 28, 2018

Hrg: Senate Committee on Ways and Means Decision Making; Tuesday, April 3, 2018 at
10:00AM in Room 211

Re: **Comments on HB 2598, HD2, SD1, Relating to Family Leave**

My name is Paula Yoshioka and I am the Vice President of Government Relations and External Affairs at The Queen's Health Systems (Queen's). We would like to provide **comments** and express our concerns on HB 2598, HD2, SD1, Relating to Family Leave. This bill requires the Department of Labor and Industrial Relations (DLIR) to establish paid family leave for all workers by January 1, 2020. It also authorizes DLIR to adopt interim rules, establishes the Paid Family Leave Implementation Board to assist DLIR and report to the Legislature, and requires the Legislative Reference Bureau to conduct a study, including an actuarial analysis, on aspects of implementing paid family leave. It also establishes a Paid Family Leave Special Fund and appropriates funds.

We acknowledge and appreciate the intent of this bill to provide paid family leave to all workers in the state. Queen's currently provides family leave to its employees administered in conjunction with paid time off that is in compliance with all federal and state laws. The legislature has proposed an ambitious and creative method of accomplishing a statewide paid family leave program and we commend the legislature for including business and health care community members on the Paid Family Leave Implementation Board. However, we are concerned with the current language in this bill due to its vague nature and the impossibility of calculating its impact on our system and our employees.

We do not believe it is prudent to establish a funding mechanism and implementation date requirements for a paid family leave program without first knowing the details for how the program is to be implemented. In particular, we are alarmed by the lack of information on the number of weeks employees will be allowed to take paid family leave, how and how much funding for the special fund will be collected from both employers and employees, how DLIR will manage this program, and how this program will impact employers' current leave programs, benefits packages, and collective bargaining agreements. Without knowing these details, we believe this bill creates a possibility for a massive burden on employers who may need to take on significant costs to contribute to the special fund, completely restructure benefits packages and collective bargaining agreements, as well as possibly administer significant portions of the leave program on behalf of the state if DLIR lacks the capacity. These changes could potentially have

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.

substantial negative impacts on our employees; however, the vague nature of this bill precludes us from calculating this impact accurately.

We ask that the legislature provide more clarity on process before creating a mandated paid family leave program. We also ask the legislature to consider exempting employers that already provide generous paid leave and family leave for their employees.

We appreciate the opportunity to provide comments on this measure. Thank you for your time and attention to this important issue.



Hawai'i

Committee: Senate Committee on Ways and Means
Hearing Date/Time: Tuesday, April 3, 2018, 10 a.m.
Place: Conference Room 211
Re: Testimony of the ACLU of Hawai'i in Support of H.B. 2598, H.D. 2 S.D. 1, Relating to Family Leave

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members:

The American Civil Liberties Union of Hawai'i writes in strong support of H.B. 2598, H.D. 2 S.D. 1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022.

Paid family leave is, first and foremost, about equal opportunity for all, and for that reason, paid family leave is a civil rights issue.

Federal law gives employees of large companies 12 weeks of unpaid leave, but with half of the people in Hawai'i and 59 percent of households with children living paycheck to paycheck,¹ very few people can afford taking days off from work to take care of their loved ones. Instead, workers often must choose between providing essential care to an infant or incapacitated parent and bringing home a paycheck. As Joan Williams has put it, such workers are often "one sick child away from being fired."²

In Hawai'i, the most vulnerable workers are low-income earners and hourly workers, who are disproportionately Native Hawaiian and Filipino,³ and who are overwhelmingly women.⁴ Nationally, women provide the majority of unpaid care at home, despite also being the primary breadwinner in 40 percent of families with children. For women, having a child without job security is a gamble that can lead to eviction or bankruptcy. Debt accrued during parental leave can take years to shake, making it even harder to break the cycle of poverty and close the income gap. And the risks are only exacerbated for women of color, who earn almost half for every dollar earned by white men — and who are less likely to receive paid family leave than other workers.

H.B. 2598, H.D. 2 S.D. 1, will ensure that people in Hawai'i will no longer have to choose between caring for their loved ones and keeping their jobs. The benefit will have the greatest impact on the state's most

¹ Hawai'i Appleseed Center for Law and Economic Justice, *Struggling to Make Ends Meet* at 2-3 (Mar. 2017), available at <http://hiappleseed.org/wp-content/uploads/2016/01/EITC-poll-report.pdf>.

² Joan C. Williams, *One Sick Child Away from Being Fired: When "Opting Out" Is Not an Option*, Work Life Law UC Hastings (2006), available at <http://www.worklifelaw.org/pubs/onesickchild.pdf>.

³ *Id.*

⁴ Talk Poverty, *State Year Report*, Hawai'i statistics (2017), available at <https://talkpoverty.org/state-year-report/hawaii-2017-report/>.

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H.B. 2598, H.D. 2 S.D. 1

April 3, 2018

Page 2 of 2

vulnerable workers—women of color and low-income workers. We encourage your Committee to uphold the values of fairness and equal opportunity by passing H.B. 2598, H.D. 2 S.D. 1.

Thank you for the opportunity to testify.

Sincerely,



Mateo Caballero
Legal Director
ACLU of Hawai'i

The mission of the ACLU of Hawai'i is to protect the fundamental freedoms enshrined in the U.S. and State Constitutions. The ACLU of Hawai'i fulfills this through legislative, litigation, and public education programs statewide. The ACLU of Hawai'i is a non-partisan and private non-profit organization that provides its services at no cost to the public and does not accept government funds. The ACLU of Hawai'i has been serving Hawai'i for 50 years.

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Helping Hawai'i Live Well

To: Senator Donovan Dela Cruz, Chair, Senator Gilbert Keith-Agaran, Vice Chair, Members, Senate Committee on Ways and Means

From: Trisha Kajimura, Executive Director

Re: TESTIMONY IN SUPPORT OF HB 2598 HD2 SD1 RELATING TO FAMILY LEAVE

Hearing: April 3, 2018, 10:00 pm, CR 211

Thank you for hearing **House Bill 2598 HD2 SD1**, which would enable workers to take paid time off during major life events. This would allow for 16 weeks' wage replacement, a flexible and non-burdensome combination of employee and employer contributions, while providing wage replacement insurance for the birth, adoption, or fostering of a child, including leave for caregiving for a family member's serious health condition(s), and/or a service member's qualifying exigency. With this program, as the bill is written, Hawaii could provide 16 weeks of leave to care for a new child or sick or injured family member, and it would only cost around \$58 per year (\$1.12 per week) to cover a worker making \$48,000 annually.

This policy is designed to provide a progressive wage replacement so that lower-income workers can access a higher percentage of income in order to afford to take leave. Additionally, there is an opt-in for the self-employed, and there are no eligibility carve-outs for the employer's industry or business size, so ALL Hawaii workers have access to a program with the most affordable premiums/contributions, and is transferable if people change jobs or industry.

Mental Health America of Hawaii is a 501(c)3 organization founded in Hawai'i 76 years ago, that serves the community by promoting mental health through advocacy, education and service. We are supporting this measure because maintaining healthy families in Hawaii means that family members occasionally have to take off from work to be caregivers. We believe that workers should be able to access this type of support so that they can have peace of mind while caring for their families and go back to work with less financial burden and work with higher productivity. High levels of stress threaten mental health and we need this policy to help family caregivers

Thank you for considering my **testimony in support of HB 2598 HD2 SD1**. Please contact me at trisha.kajimura@mentalhealthhawaii.org or (808)521-1846 if you have any questions.



April 3, 2018

**TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS & MEANS
ON HOUSE BILL 2598 HD2 SD1 RELATING TO FAMILY LEAVE**

Thank you Chair Dela Cruz and committee members. I am Gareth Sakakida Managing Director of the Hawaii Transportation Association (HTA) with about 400 members involved with the commercial ground transportation industry.

HTA opposes this measure which offers no details of a program which is being mandated.

This renders impossible an evaluation of the measure and its impact on businesses. This is especially unnerving when employers are to be contributing funds into a program they have no say on, and to be fined for yet unknown reasons.

Having a few people hold your future in their hands creates tremendous uncertainty when there is no opportunity for feedback. Once the final product is wrought, this measure facilitates a “no opportunity to voice opinions” scenario: exempt from Chapter 91; propose legislation **if any**.

Thank you.



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Derek Kurisu, KTA Superstores, *Advisor*

TO:

Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: Tuesday, April 3, 2018
TIME: 10:00am
PLACE: Conference Room 211

RE: HB 2598 Relating to Family Leave

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.

The implementation board in this bill will have broad authority to implement a program with potentially very little input from employees or businesses. We believe that it is reasonable to request that the actuarial data be produced and analyzed first, then have a bill drafted based on that information with exact details of what is covered. After these two steps are completed the specifics of the program in the bill should be publicly scrutinized prior to implementation. In other words a bill with exact details of how the program will be implemented should receive public hearings and pass the legislature. Right now we have no ability to assess the impact of this bill because there is nothing specific in the bill that would allow us to estimate the cost to employees or employers.

Hawaii is frequently ranked as one of the worst, if not the worst state for doing business. Our member businesses take great pride in feeding Hawaii, but there are many factors that make it a challenge for these companies to continue to serve our communities.

~~We appreciate that this bill seeks to take a thoughtful approach to this issue and is designed to get input from various stakeholders. We hope that~~ When considering the feasibility and cost of providing paid family leave to all workers in Hawaii the legislature ~~must~~ consider how this

will impact the business environment in our state, and bear in mind that drastic increases to labor costs have the potential to eliminate jobs, raise prices on necessities like food, and force businesses to close.

In their testimony on this measure the Department of Budget and Finance has stated, "Because of the impact to employers and employees in the State, the Department of Budget and Finance (B&F) strongly recommends before any statutory measure is enacted that the State have a clear understanding of the issues and costs related to implementing a mandated paid leave system. This measure states the LRB shall conduct an analysis, prior to 2019, including an actuarial analysis, on select items addressed in the bill. B&F strongly urges the Legislature to have the LRB complete a thorough study on the paid family leave system proposed in this bill to identify issues and costs before the program is implemented."

However, in reference to the required study and actuarial analysis the Legislative Reference Bureau (LRB) has submitted testimony stating, "First, the Bureau does not believe that it can complete this task. The Bureau does not employ an actuary, nor has it contracted the services of one in at least the past two decades. Furthermore, the Bureau does not retain subject matter experts in the fields of social insurance, temporary disability insurance expansion, or paid family leave, nor do we have staff with any budgetary expertise or experience. Consequently, the Bureau would have to contract the services of such experts and do so by drafting a Request for Proposals on this project and executing a contract that is subject to the State Procurement Code. In addition, if the Legislature wanted the study and actuarial analysis submitted to it by next session, the Bureau would not be able to meet this deadline."

In order to get a realistic understanding of how this program would impact our economy, a detailed actuarial analysis of usage levels of paid leave would be needed. The real usage numbers of paid leave would likely be significantly higher than the levels of unpaid leave examined in existing studies.

If this bill guaranteed that the entire program could be paid for by a fifty dollar a year assessment on each employee, as is being stated, then there would likely be no opposition to this bill. However, that is not what is being proposed here and there is no guarantee that wage and employer assessments will not be much higher than what is currently being estimated by proponents.

It is worth noting that DLNR obtained an estimate on IT costs alone at upwards of \$30 million dollars. The study referenced by proponents of this bill put the administration costs at about one million a year. Clearly there are some large discrepancies to be worked out. People deserve to know the true cost of the system before it is implemented.

The current ~~version would have the board include just makeup of the Family Leave Implementation Board described in this bill has~~ three members from the business community and 15 other members. **If the legislature wants to ensure that the plans and recommendations made by atthe board regarding leave are functional and possible for businesses to implement there must be more equal and fair representation of Hawaii's businesses on the board. We recommend that roughly half of any futurethe board be made up of members of our business community since these are the people who will ultimately be responsible for implementing, administering, managing, and paying for any family leave program.**

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Finally, ~~w~~We would ~~also~~ like to reiterate the importance of doing a comprehensive cost benefit analysis before ~~planning implementing~~ a family leave program, one that takes into account not just the benefit to individual employees but the costs to our business community, our labor market, our economy, increased tax dollars to fund the program, and the added cost of living for Hawaii families when prices go up. We thank you for the opportunity to testify.



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Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON
WAYS AND MEANS

RE: HB 2598, HD 2, SD 1 - RELATING TO FAMILY LEAVE

TUESDAY, APRIL 3, 2018

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Dela Cruz and Members of the Committee:

The Hawaii State Teachers Association **strongly supports and suggests amendments for HB 2598, HD 2, SD 1**, relating to family leave.

Teachers are fortunate to be covered by a collective bargaining agreement that provides paid sick leave. Approximately 70-80 percent of the teacher workforce is female, though, and would greatly benefit from the enactment of a family leave program. According to the National Partnership for Women and Families, research shows that access to family leave improves child and maternal health. Providing family leave to teachers, then, will boost educator recruitment and retention by ensuring that teachers who have or are planning to have families won't be forced to return to work prematurely or at the expense of their children's well-being.

Over 40 percent of Hawaii's workforce, however, is not afforded the same benefit. As a result, workers are often required to choose between providing for their families by working while sick or enduring a loss of income to recuperate. Families also must decide whether or not to send sick children to school or stay home and lose a day of pay. For low-income families, this financial bind can mean the difference between providing food or going hungry. When children are forced to attend class while ill, moreover, contagions may spread to other students.

It's a chain reaction. Multiple families may be become infected. Entire classes may see their health and learning suffer. Providing paid sick leave that may be extended to family members will break the cycle of illness by allowing families to care for themselves and their children without loss of pay. As this measure moves forward,

we urge you to continue mandating establishment of a family leave program no later than 2020, so that working families do not have to wait any longer than necessary for the financial insurance needed to cover medical emergencies and kupuna care.

That said, we believe that this measure can be further strengthened by: 1) guaranteeing a minimum of sixteen weeks of paid family leave as part of the program, once implemented; 2) including a broad definition of “family” in the bill that allows non-relatives to be designated as family for purposes of caregiving; and 3) requiring that the newly established family leave program be operated as a social insurance program, in which small amounts of money are pooled from employees and employers into a fund workers may draw upon when they need leave time.

Sickness should not become a debt sentence. To better care for families living paycheck to paycheck, the Hawaii State Teachers Association asks your committee to **support** this bill.



CARING ACROSS GENERATIONS

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

Tuesday, April 3, 2018, 10:00 a.m. Conference Room 211

TESTIMONY IN SUPPORT OF HB 2598, HD2, SD1 – Relating to Family Leave

Caring Across Generations in strong support of House Bill 2598, House Draft 2, Senate Draft 1.

Caring Across Generations is a national movement of families, caregivers, people with disabilities and aging Americans working to transform the way we care in this country, calling for policy solutions that enable all of us to live and age with dignity and independence. Caring Across Generations has worked with partners in Hawai'i for years in support of legislation that will help make quality long-term care accessible to everyone.

Paid family leave is a necessary and affordable benefit that assists families to provide care for their loved ones, promotes worker retention, economic stability for working families, gender equity in the workplace, positive infant health outcomes, and reduces caregiver burnout.

Hawaii has the fastest growing aging population in the nation. Our senior (age 65+) population is expected to grow 81 percent by 2030. Approximately 247,000 Hawaii workers serve as the primary caregiver for a family member. Paid family leave would allow these workers to care for their family members without compromising economic stability.

Paid family leave would also compliment our currently existing programs that help family caregivers of the elderly. While the paid family leave program will assist caregivers who need to temporarily leave work due to episodic or crisis situations, the Kupuna Caregivers program could assist working caregivers to return to work quickly while still having access to caregiver assistance.

It is especially critical to include the progressive wage replacement to ensure that low-income workers are able to access the program. Those who earn less than half of the average weekly

wage should receive 90% of their weekly earnings, while middle-income to higher-income workers should receive 75% or 50% of their weekly earnings, with a weekly cap.

Because of the reasons stated above and many others, we are in strong support of this bill which will provide so much relief to so many.

Thank you for considering my testimony.

Sincerely,

Pedro Haro
Hawai'i Advocacy Director
Caring Across Generations
pedro@caringacross.org

IBEW1260

‘A‘OHE HANA NUI KE ALU ‘IA

April 3, 2018

The Twenty-Ninth Legislature
Hawaii State Senate
Committee on Ways and Means

HB2598 - RELATING TO FAMILY LEAVE

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

The International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO (IBEW1260), represents more than 3500 members, has advocated for all workers in the State of Hawaii for over seventy-five years and respectfully offers the following testimony in **STRONG SUPPORT** of House Bill 2598 (HB2598).

The majority of Hawaii's working families are not afforded adequate amounts of paid leave causing financial hardship and increased dependency on public assistance during times of illness or caregiving. Therefore, it is incumbent upon the Legislature to ensure a path towards paid family leave which will serve to improve the lives of Hawaii's working families and IBEW1260 respectfully ask the Committee **SUPPORT HB2598**.

Mahalo for the opportunity to testify on this issue.

Respectfully,



Michael M. Brittain
Asst. Business Manager
IBEW1260 / AFL-CIO



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-Ninth Legislature, State of Hawaii
Hawaii State Senate
Committee on Ways and Means

Testimony by
Hawaii State AFL-CIO

April 3, 2018

H.B. 2598, H.D.2, S.D.1 – RELATING
TO FAMILY LEAVE

The Hawaii State AFL-CIO strongly supports H.B. 2598, H.D.2, S.D.1 which requires the Department of Labor and Industrial Relations to establish paid family leave for all workers by January 1, 2020, authorizes DLIR to adopt interim rules, establishes the Paid Family Leave Implementation Board to assist DLIR and report to the Legislature and requires the Legislative Reference Bureau to conduct a study, including an actuarial analysis, on aspects of implementing paid family leave.

The United States is the only industrialized country that does not provide paid family leave to workers, mothers, fathers, single parents and those who desperately need it. We get to claim that distinction with Papua New Guinea – a distinction we shouldn't be proud about. It is actually an embarrassment that we have to be discussing the importance of why paid family leave matters. But we do. Fortunately, a number of states and counties are moving forward with their own paid family leave measures and hopefully Hawaii moves forward with them. States such as California, Washington, New York and others have adopted paid family leave sending a strong message to the rest of the country that they care about working families. Hawaii can do the same. Passage of H.B. 2598, H.D.2, S.D.1 will show we care about working families and hopefully one day help pave the way towards a nationwide paid family leave measure.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
President



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association

April 3, 2018

H.B. 2598, H.D. 2, S.D. 1 – RELATING TO FAMILY LEAVE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 2598, H.D. 2, S.D. 1 which requires the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, establishes a Paid Family Leave Implementation Task Force, mandates the Legislative Reference Bureau to conduct an actuarial analysis, and creates a paid family leave special fund.

It is commonly accepted knowledge that most workers in Hawaii will utilize family leave at some point in their careers to provide much needed care for a loved one. While we have historically supported the passage of a paid family leave program and recognize that it is long overdue, we must prioritize a thoughtful and systematic approach in the program's creation and implementation. No two state paid family leave models are identical and we must collectively consider existing structures and systems to best formulate a plan for Hawaii. The creation of a Paid Family Leave Implementation Task Force, as outlined in the S.D. 1 of H.B. 2598, offers a steadfast solution that ensures all of the stakeholders have a seat at the table to consider the intricacies and long term effects, while at the same time sets firm deadlines to guarantee that the paid family leave program is created no later than 2020.

Thank you for the opportunity to testify in strong support of H.B. 2598, H.D. 2, S.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director

HB-2598-SD-1

Submitted on: 3/29/2018 4:11:55 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
SONYA YUEN	Testifying for KUALAPUU MARKET LTD	Oppose	No

Comments:

To the Committee on Ways and Means

April 3, 2018

Position: Oppose

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

Thank you for the opportunity to express our concern and opposition to HB 2598. As a merchant doing business on Molokai, we oppose any mandated PAID family leave plan. This is the 80th year that we have been in business. We are proud that our business is an important part of our community, serving our great customers and employing our great team. If this bill passes it will become much harder for our business to continue to contribute to our community and our economy.

Labor costs are already a big portion of businesses expenses, and Hawaii is already a very challenging state to do business in, especially now with our unemployment rate so low. This bill would drastically increase our labor costs. When these costs go up businesses like ours have to make choices about things like cutting jobs, eliminating benefits, stopping growth, raising prices, or even closing if it becomes cost prohibitive to continue to do business here. The consumer will no doubt have to pay for this increase and this will impact our community greatly. For these reasons we're asking you to hold this measure.

Thank you for your service to our community, and for the opportunity to testify.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai‘i Appleseed Center for Law and Economic Justice

Supporting HB 2598 HD2 SD1 – Relating to Family Leave

Senate Committee on Ways and Means

Scheduled for decision-making on Tuesday, April 3, 2018, 10:00 AM, in Conference Room 211

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Thank you for the opportunity to testify in SUPPORT of **HB 2598 HD2 SD1**, which would require the establishment of paid family leave for all workers by January 1, 2020.

Low-wage workers are the least likely to have access to paid family leave, while they need the financial support of paid leave the most. Especially with more and more of our kūpuna needing care, our state needs to create a safety net for families facing serious caregiving responsibilities.

In order for such a program to be truly effective in Hawai‘i, we’d like to point out how important it is for a paid family leave program to follow a social insurance model. A prominent example of a social insurance approach is Social Security. Experts from both the left and the right agree that this is the best way to reduce costs to employers and overall administrative expenses, as well as prevent discrimination against those workers who are mostly likely to take leave.

Even the right-leaning American Enterprise Institute has testified in favor of a social insurance program over an employer mandate to purchase private family leave insurance or to self-insure¹:

[T]he idea that companies might be better off with an employer mandate instead of a social insurance program is hard to fathom. While social insurance broadly distributes the costs of providing leave, an employer mandate shifts all of the costs onto the firm, raising implicit labor costs. Firms can respond to this mandate in several ways: One, they may try to self-insure or purchase private insurance products; these will likely be costly and unavailable in many places. Two, they may reduce wages paid for workers that are hired. Three, firms may simply discriminate against people who are more likely to use this leave, particularly women. Since an employer mandate disproportionately raises the expected labor costs of those most likely to use the paid leave, mandating paid leave incentivizes firms to discriminate against women and others likely to take up the policy... A mandate imposes additional costs and distortions that could be much more expensive to the public than social insurance.

We appreciate your consideration of this testimony.

¹ <https://www.aei.org/wp-content/uploads/2017/10/DC-Testimony-Mathur-1.pdf>

The Hawai‘i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai‘i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

HB-2598-SD-1

Submitted on: 3/30/2018 8:53:07 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael A Nobriga	Testifying for Maui Soda & Ice Works, Ltd	Oppose	No

Comments:

We oppose HB2598. This will further raise the cost of living here in our beautiful State. We always see on TV news the way certain legislators raise this issue. It's fankly already too expensive to live here and this measure further adds to our dilemma. Just the cost to govenment employees will raise taxes, not to mention what companies like mine will have to pass on to the consumer!

This is a very noble gesture, but do we all want to put more homeless out onto the streets and beaches and bushes? I don't think that is the intent, but it will most certainly be the outcome!!!

To: Hawaii State Senate Committee on Ways and Means
Hearing Date/Time: Tuesday, April 3, 2018, 10AM
Hawaii State Capitol Room 211

Position Statement Supporting House Bill 2598 HD2 SD1

Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members,

Thank you for the opportunity to testify in **strong support of House Bill 2598 HD2 SD1**, relating to family leave insurance. Family Leave Insurance is one step we can take to improve our workers' lives, support our small businesses, and help our economy continue to grow.

Workers and families in Hawaii are already taking family leave but it is unpaid. When your parent suffers a stroke and needs assistance to recover, when your child needs to undergo chemotherapy, or you have a baby, you cannot continue to work. Workers face bankruptcy, credit card debt, and missing rent payments to do so, but

Many lower-income parental-leave takers say they took on debt, went on public assistance or put off paying bills to cover lost wages or salary

% of those who received only some pay or no pay when they took parental leave saying they did each of the following to cover lost wages or salary

	All parental-leave takers	— Household income —		
		<\$30K	\$30K-\$74,999	\$75K+
Cut back on spending	75	78	81	69
Used savings set aside for this situation	54	52	50	57
Used savings set aside for something else	43	43	47	41
Took on debt	41	57	38	36
Cut their leave time short	38	37	33	41
Put off paying their bills	27	46	35	13
Received money from family or friends that they weren't expected to pay back	23	44	19	18
Went on public assistance	21	48	28	5
Borrowed money from family or friends	19	45	17	11

Note: "Parental-leave takers" refers to those who have taken time off following the birth or adoption of their child in the past two years.
Source: Survey of U.S. adults who took or needed/wanted to take leave conducted Nov. 17-Dec. 14, 2016.
"Americans Widely Support Paid Family and Medical Leave, but Differ Over Specific Policies"
PEW RESEARCH CENTER

because this type of leave is not optional, they are doing it. We live in a state with the highest cost of living, where it costs more to send your child to daycare than college, and missing 3 days of work can mean a family losing their food budget for the month. It is time for Hawaii to adopt a paid family leave program.

Hawaii is a unique state. We have the highest cost of living while also having a majority of our jobs pay less than a livable wage. A recent survey shows that 48% of households in Hawaii are living paycheck to paycheck. One week of unpaid work would destroy a family's finances. How do we expect our families to live and prosper under the constant threat of losing it all due to an unforeseen illness in the family?

We are also mindful that 20% of our businesses employ 20 people or less and cannot solely assume the costs of providing paid family leave. However, a social

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insurance paid family leave program would allow a small business to offer competitive benefits without risking their payroll. Hawaii has a robust study on implementing paid family leave funded by the federal Department of Labor. This study was researched and written by the experts in this area, and it states that a social insurance model allows for universal coverage at a low cost¹. The study summary is attached. Other hybrid models will be more administratively complex, require additional oversight and regulations, could be difficult to regulate and could increase the costs of the program. A social insurance model would still allow employers the option of “topping off” benefits and it would lower the costs of providing paid family leave. An employer would no longer be paying the full wages of an employee out of pocket while they were out. Instead, a pool of payroll taxes would subsidize a portion of the employee’s wages. Additionally, an employer mandate is not favorable because employers are incentivized not to hire women or any person they perceive to be more likely to take leave². Moreover, numerous studies show that paid family leave had either a positive impact on business or no impact; and small businesses are more likely to say paid family leave had a positive impact. Workers, especially women, are more likely to return to work if they have access to paid family leave. In 2015, 1,000 C-level executives from small, medium, and large business all over the country were surveyed on issues of workplace-related public policy measures³. When asked about paid parental leave, 72 percent of respondents said that they favored increased maternity leave time; 9 percent opposed. For either mandated or increased paternity leave, 82 percent of respondents were in favor; 7 percent were opposed. Businesses understand the benefit of providing paid family leave, but cannot do it alone.

The original draft of HB 2598 included 16 weeks of leave. If we are a state that values ‘ohana, let us put that value into a tangible benefit. We ask that the 16 weeks be re-inserted into the bill language.

Hawaii’s workers and businesses need family leave insurance. A family leave insurance program enables workers to take time off during major life events and helps businesses retain key employees and remain competitive. Thank you for the opportunity to testify in support of House Bill 2598 HD2 SD1.

Kathleen Algire
Director, Public Policy and Advocacy
YWCA O’ahu

¹ Glynn, S. (2018) Improving work life in Hawaii: Administration of paid family leave.

https://www.capitol.hawaii.gov/CommitteeFiles/senate/LBR/LBRfiles/SJ-Glynn_Administration-of-Paid-Family-Leave.pdf

² National Academy of Social Insurance (2017). Paid family and medical leave programs: State pathways and design options

³ National Chamber Review, *The business case for paid family leave*, http://chamberreview.org/6.1_paid_leave.html

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Hawaii State Paid Family Leave Analysis Grant Report

This grant product was funded by a grant awarded by the U.S. Department of Labor's Women's Bureau. The product was created by the recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The U.S. Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other users require the prior authorization of the copyright owner.

Hawaii State Paid Family Leave Analysis Grant Final Project Summary November 2017

The Hawaii State Commission on the Status of Women (HSCSW), within the Hawaii State Department of Human Services, received a grant from the U.S. Department of Labor to conduct critical research to support the positive momentum of Paid Family Leave in Hawaii. HSCSW completed research in the following categories: 1) economic analysis, eligibility and benefit modeling conducted by the Institute for Women's Policy Research; 2) a feasibility study conducted by Sarah Jane Glynn, PhD; 3) a public poll conducted by Anthology Research; 4) focus groups of labor unions and employers, also conducted by Anthology Research, and 5) focus groups of mothers, fathers, and family caregivers, conducted by the Healthy Mothers, Healthy Babies Coalition of Hawaii. This document contains a brief summary of the research findings.

Paid Family Leave for Hawaii

The United States is the only highly industrialized country in the world that fails to provide its workers with paid family leave. This lack of access to paid leave has profound consequences for Hawaii's working families. In Hawaii, 7 in 10 children live in households where both parents work,¹ and over a quarter of children live in households headed by a single parent,² leaving no full-time caregiver at home. When a new child is born or a serious medical emergency arises, financially vulnerable parents are forced to choose between their livelihood and the wellbeing of their child.

Children are not the only family members who require care. In 2013, Americans sacrificed an estimated 37 billion hours of unpaid adult care, resulting in an economic loss of \$470 billion.³ The population of Hawaii is both older than that of the US as a whole, and is aging faster.⁴

Existing Programs in Hawaii

FMLA: The Family and Medical Leave Act (FMLA) provides employees with 12 weeks of unpaid leave. However, due to the nature of its eligibility requirements, only 56% of private sector workers are covered.⁵ Although some individual companies may offer employees paid leave, this benefit is typically only available to high-wage employees. Paid leave is generally unavailable to the low-wage workers who truly have the greatest need for it.

HFL: Hawaii has its own family leave law in place, which offers up to four weeks of job-protected leave. However, like FMLA, the Hawaii Family Leave Law only provides *unpaid* leave, and fails to cover around 40% of Hawaii's workforce.

TDI: Hawaii law also requires employers to offer partial wage replacement to employees recovering from illness or injury, including childbirth. However, TDI is not offered to caregivers or non-biological parents. Hawaii's TDI law does not guarantee job security.

The Impact of PFL

National research has shown that mothers with access to PFL are more likely to return to work after the birth of a child, and also more likely to return to the same or higher wages than they were earning before giving birth⁶. Women who take paid parental leave are 39% less likely to receive public assistance, and 40% less likely to receive food stamps than women who do not take paid leave and return to work. This trend is also present in men.⁷

Potential Program Structures

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Employer-Mandated

Under an employer-mandated structure, individual businesses are solely responsible for funding workers' paid leave benefits. Although Hawaii's current temporary disability insurance program is employer-mandated, this structure is not recommended as a model for paid family leave.

In an ideal world, women and men would share caregiving duties and take leaves at equal rates. However, because women are currently more likely to take leave than men, an employer-mandated structure unintentionally discourages employers from hiring women⁸. Employer mandates also stand to negatively impact small businesses, which are more likely than large businesses to require replacement workers while others are out on leave.

Social Insurance

Under a social insurance system, workers pay premiums (usually through payroll taxes) into a dedicated insurance fund. Each individual pays premiums at a similar rate, regardless of their likelihood to file a claim, so as to equalize financial impact. Costs are often calculated as a percentage of earnings. Higher earning workers pay more into the system, but also receive a larger benefit as a percentage of their normal wages. By spreading both risks and resources across all workers, this system provides benefits at a low per-person cost.

Social Security and Medicare are examples of national social insurance programs. California, New Jersey, Washington State, and Rhode Island all have PFL programs that operate similarly to social insurance.

If employee contributions are required, it is important to ensure that low-wage workers are not disproportionately burdened. One option is to calculate deductions based on a sliding scale; another option is to have no cap on taxable wages.

Noncontributory

Under a noncontributory program, the government provides general funds to employers to pay workers on leave. There are no premiums or payroll contributions involved. This system of paid leave is not present in the US, and is relatively less common abroad than the social insurance model.

Program Components

Determining the validity of a leave application

Despite opponents' concerns about potential abuse of the system, fraud within current systems is quite low due to procedures in place to evaluate and verify claims.

In states with paid family leave, the medical documentation required for state-benefits is much more detailed than the documentation required for unpaid leave under the FMLA. To apply for leave under the FMLA, workers are not required to provide their detailed medical history or diagnoses. A government-run PFL program, however, can require workers to waive HIPAA and provide detailed medical information. In California, for example, medical providers must submit documentation directly to the state, and the duration of care is cross-checked against the Official Disability Guidelines (ODG).⁹

Eligibility

Designing a PFL program requires access to individual-level data about workers' work histories and/or earnings. The most efficient and cost-effective option is to make use of already existing state-held data. Hawaii does not currently collect data

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on employees' work hours, but the state unemployment insurance (UI) system does collect data on earnings. The State Directory of New Hires also collects data on earnings, and has sharing capacities with the UI system.

However, it is not recommended that eligibility be based on wage. Wage-based eligibility would make it more difficult for low-wage workers to qualify. For example, to meet Rhode Island's qualifying base period minimum of \$11,520, a \$9.25 minimum wage worker in Hawaii would have to work 1,246 hours, while a worker earning the Hawaiian median wage of \$19.24 would only have to work 599 hours.¹⁰

It is recommended that eligibility for PFL in Hawaii be based on prior labor force attachment. One potential option is to require workers to demonstrate that they have had earnings during at least one quarter out of a base period, though without establishing a minimum earnings threshold.

Length of Leave

A worker is not automatically eligible for the maximum number weeks; the amount of paid time off offered to a worker is determined by their medical circumstances. The Academy of Gynecologists and Obstetricians recommends a minimum of 4-8 weeks of recovery time after a normal birth, and more time is required to establish bonding and breast-feeding. On average, workers under existing PFL programs do not choose to maximize the full length of leave. While new parents are more likely to utilize the maximum leave amount possible, family caregivers only take the amount of time that is medically necessary.

	California	District of Columbia	New Jersey	New York	Rhode Island	Washington
Max Leave Offered	Up to 6 weeks	Up to 8 weeks of parental leave & up to 6 weeks of family care-giving leave	Up to 6 weeks	Up to 8 weeks in 2018, 10 weeks in 2019, 12 weeks in 2021	Up to 4 weeks	Up to 12 weeks

Amount of pay

Benefits can be calculated differently depending on the time period used to set a worker's base wage. Rhode Island sets base wage as the highest quarter of earnings in the past year, while New Jersey uses the prior 8 weeks. Hawaii's current UI system determines eligibility based on earnings and employment in a base period of five quarters, and calculates wage replacement based on the highest quarter of earnings.

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Determining by average wages over a long period of time would prevent workers with weak ties to the labor force from drawing disproportionately high cash benefits. This system ensures that the majority of workers are included in the program, while also ensuring that workers' benefits accurately reflect their contributions.

Administration

Processing payments

The vast majority of workers would receive their benefits via direct deposit. However, nearly one-fifth of Hawaii households are unbanked or under-banked,¹¹ so alternate options should also be made available. Claimants who are unable to receive direct deposits may receive preloaded Electronic Benefit Transfer (EBT) cards. Hawaii currently has a contract with J.P. Morgan Chase to provide EBT cards for TANF, SNAP, and other programs.¹² Paper checks are another option, though less cost-effective.

Reviewing and processing appeals

Applicants would require a way to request a hearing if they feel they have been wrongly denied benefits. The Hawaii UI system currently has a process in place to evaluate unemployment insurance claims, in which the Employment Security Appeals Referees' Office (ESARO) administers a hearing in-person or over the phone. If the claimant disputes the outcome of the hearing, they may file an appeal with the circuit court.¹³ This system can be expanded to include PFL appeals.

Fraud Detection

The UI program takes the preventive measures of routinely checking IP addresses and cross-checking information against state held databases such as the Directory of New Hires. Hawaii's unique geographic location combined with the entirely online application makes IP address based fraud detection relatively easy. A PFL program would include similar methods of fraud detection. The program should also notify employers and medical providers when a worker receives benefits, and have them confirm that the worker is on leave.

The Role of Employers

It is not recommended that a PFL plan include employer opt-outs or the creation of voluntary plans. Doing so would create costly administrative overhead. California, which allows employers who offer voluntary plans to exempt their employees from state PFL, has created a Voluntary Plan Administration Section in the state employment department that must verify and approve each individual employer's voluntary plan.¹⁴ A universal program is especially preferable in a small state such as Hawaii in order to help lower overall costs.

Education and Outreach

A public education program should include information for employers, employees, and medical providers to ensure program awareness. Many workers who most need the benefit may not become aware of its availability. Although California has had PFL for over a decade, a survey of California workers found that less than half of respondents were aware of the program, particularly workers of color and low-income workers.¹⁵

An effective education and outreach plan for PFL in Hawaii would include: public service announcements, working with Employee Assistance Programs, coordinating with foster home training programs, and regional trainings for medical providers, among other strategies.

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Four Models for Paid Family Leave in Hawaii

A 12-week or 16-week paid family leave program in Hawaii may be structured to provide higher benefits to low-wage workers, or to provide benefits as a flat percentage of wage similarly to Temporary Disability Insurance (TDI).

Models 1 and 2 provide benefits similarly to TDI, offering 58% of weekly wages up to a weekly maximum of \$594.

However, research suggests that this amount may not be sufficient for low-wage workers to support their families. A study of Rhode Island's PFL program, which offers 60%, found that 80 percent of respondents did not even use the program because they could not afford the loss of income. California now offers 70% while New Jersey offers 90% for low-wage workers.

Models 3 and 4 provide a higher percentage of weekly earnings to low-wage workers. Those who earn less than half of the average weekly wage receive 90% of their weekly earnings; those who earn 50 to 100 percent receive 75%; above average earners receive 50%; the weekly maximum is \$1000.

	Model 1	Model 2	Model 3	Model 4
Structure	12 weeks, benefits similar to TDI	16 weeks, benefits similar to TDI	12 weeks, benefits higher for low wage workers	16 weeks, benefits higher for low wage workers
Annual cost for a full-time, minimum wage worker (\$9.25/hr)	\$12.82	\$15.00	\$20.69	\$32.10
Annual cost for a full-time, \$15/hr worker	\$20.78	\$24.32	\$33.55	\$51.81
Annual cost for a full-time, average wage worker (\$48,184/year)	\$32.10	\$37.56	\$51.81	\$57.76
Administrative Cost	\$1 million	\$1.1 million	\$1.5 million	\$1.7 million
Total Cost	\$18.3 million	\$21.4 million	\$29.5 million	\$32.9 million
Average weekly benefit	\$405	\$407	\$608	\$608

Source: Estimates based on IWPR-ACM Family Medical Leave Simulation Model based on 2011-2015 American Community survey and 2012 FMLA Employees survey (U.S. Department of Labor 2012; U.S. Census Bureau 2015)

Note: Total Quarterly Census of Employment and Wages (QCEW) are based on BLS Databases for Private, State, and Local government workers; \$48,148 average annual wage in 2016 QCEW.

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Polling Results

Anthology Research conducted a quantitative study in the form of a statewide mixed-mode (online and telephone) survey. A total of 322 interviews were completed online and a total of 133 interviews were completed via telephone contacts. A total of 455 surveys were completed. The margin of error for a total sample of this size is +/- 4.69 percentage points with a 95% coincidence level. All respondents were employed in the State of Hawaii. The majority — 88% — of respondents worked full-time, with 12% working part-time.

Key Findings

- More affluent segments of the working base have greater access to leave benefits
- 62% of respondents has wanted to take time off work in the past to care for a new child or an ailing family member
- Among the respondents who wanted to take time off to care for a new child, only 80% ended up doing so
- Among those who wished to take time off to care for an ailing family member, only 65% ended up doing so
- Roughly three out of four respondents who have taken time off to care for a new child received pay for at least a portion of the time they were away from work
- Male respondents (73%) who took off from work to care for a new child were more likely to be on paid leave than were females (44%)
- Of those who took time off to care for a family member, 68% of respondents had at least a portion of the time they were out covered, while 32% in this group took unpaid leave
- The men (67%) who took off to care for a family member were more likely to be on paid leave than their female (48%) counterparts
- The average number of weeks taken off to care for a new child was 9.53
- The average number of weeks taken off to care for an ailing family member was 4.27
- Of those who took time off to care for a family member, roughly half (47%) used the leave to care for a parent □ One in four (26%) of respondents said they were “very likely” to need time off from work in the future to care for either a new child or a family member, and another 29% believe it is somewhat likely they will need time off from work in the future to care for either a new child or a family member
- Women are more likely (62%) than men to anticipate taking time off from work in the future to be a caregiver than their male counterparts (49%)
- The majority (89%) of respondents said they would use this benefit if offered
- Almost all respondents (94%) had either a “very favorable” (60%) or “somewhat favorable” (34%) perception of paid family leave
- 51% believe that 12 weeks of paid time off is sufficient in most instances, while 33% believe this is too long a period to be on leave from work with pay and 14% believe this is not enough time
- The average percentage of take home pay that respondents said would be necessary to survive during a paid family leave was 75%
- Over half (59%) of respondents said they would be willing to contribute a small portion of their paycheck each month toward a paid family leave program
- The average dollar amount that respondents said they would be comfortable contributing was \$41.88/month

Focus Group Findings

Labor Union Representatives and Employers

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Labor union members and leaders, as well as employers with both small and large businesses, were asked to provide their own definition of 'paid family and medical leave'. Most participants had a basic understanding of the concept yet seemed to confuse it with standard healthcare insurance benefits and maternity leave. After being presented with a detailed description of paid family leave, participants generally favored the idea.

One issue participants debated over was whether a program such as this would be treated like TDI or like a flexible spending plan to which employees could contribute and draw on at a later date. This idea was discussed among union representatives who tended to favor a flexible spending approach.

Many of those taking part in the research believed that the employee should financially contribute to help pay for this benefit. This sentiment was shared not only by employers but also by many union representatives. Most agree that if such a benefit were to be offered that for it to be truly successful the employer would need to contribute their fair share. Business owners preferred the New Jersey system of PFL; union representatives had no clear preference.

When discussing employee funding, one of the primary topics that was brought up was whether this should be an optional choice for employees. Some feel that this benefit should be an additional optional coverage or benefit for employers, while others argue such a policy would raise costs and ultimately punish those that may have opted out originally but need the benefit at a later time. These sentiments support the recommendation that PFL be a universal program.

Mothers, Fathers, and Family Caregivers

Parent and family caregiver focus group participants were asked questions about their awareness of and experience with paid family leave, as well as questions about their opinion on different paid family leave policy components. The majority of the participants had a very positive opinion of paid family leave. All participants had taken some sort of leave to care for a new child, and most had taken leave to care for a family member. Many had experienced a time in which they felt it necessary to leave the workforce because of their family caregiving responsibilities. None of the participants worked for an employer who offered paid family leave as a benefit. Most participants believed that a wage replacement rate of 60% while on leave would not be sufficient to sustain themselves. Most participants agreed that the cost of the program should be shared by employers and employees. All participants would be willing to contribute a portion of their paycheck towards a benefit that provided 12 weeks off of work to care for a new child or a family member.

Sources

- ¹ U.S. Census Bureau. 2016. DP03: Selected Economic Characteristics, 2011-2015 American Community Survey Selected Population Tables. Washington, DC: U.S. Census Bureau.
- ² U.S. Census Bureau. 2016. S0901: Children Characteristics, 2011-2015 American Community Survey Selected Population Tables. Washington, DC: U.S. Census Bureau.
- ³ U.S. Census Bureau. 2016. CP05: *Comparative Demographic Estimates, 2011-2015 American Community Survey Selected Population Tables*. Washington, DC: U.S. Census Bureau.
- ⁴ Reinhard, Susan C., Lynn Friss Feinberg, Rita Choula, and Ari Houser. 2015. *Valuing the invaluable: 2015 update. Undeniable Progress, but Big Gaps Remain*. Washington, DC: AARP Public Policy Institute.
- ⁵ Jorgensen, Helene, and Eileen Appelbaum. 2014. *Expanding Federal Family and Medical Leave Coverage: Who Benefits from Changes in Eligibility Requirements?*. Washington, DC: Center for Economic and Policy Research. <http://cepr.net/documents/fmla-eligibility-2014-01.pdf>

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⁶ Boushey, Heather. 2008. "Family Friendly Policies: Helping Mothers Make Ends Meet," *Review of Social Economy*, 66(1): 51-70.

⁷ Houser, Linda, and Thomas P. Vartanian. 2012. *Pay Matters: The Positive Economic Impacts of Paid Family Leave for Families, Businesses and the Public*. New Brunswick, NJ: Rutgers University Center for Women and Work. <http://smlr.rutgers.edu/paymatters-cwwreport-january2012>

⁸ Addati, Laura, Naomi Cassirer, and Katherine Gilchrist. 2014. *Maternity and Paternity at Work: Law and Practice Across the World*. Geneva, Switzerland: International Labour Organization. http://www.ilo.org/global/publications/ilo-bookstore/order-online/books/WCMS_242615/lang-en/index.htm

⁹ Medical certification is accepted from: licensed medical or osteopathic physicians/ practitioners; authorized medical officers of a U.S. government facility; chiropractors; podiatrists; optometrists; dentists; psychologists; nurse practitioners after examination and collaboration with a physician and/or surgeon; licensed midwives; nurse-midwives or nurse practitioners for normal pregnancy or childbirth; and/or accredited religious practitioners in order to claim benefits. See State of California. 2017. *Basics for Physicians-Practitioners*. Sacramento, CA: Employment Development Department.

¹⁰ Bureau of Labor Statistics. 2017. *May 2016 State Occupational Employment and Wage Estimates: Hawaii*. Washington, DC: United States Department of Labor. https://www.bls.gov/oes/current/oes_hi.htm#00-0000

¹¹ Federal Deposit Insurance Corporation. 2016. *2015 FDIC National Survey of Unbanked and Underbanked Households*. Washington, DC: Federal Deposit Insurance Corporation. <https://www.fdic.gov/householdsurvey/2015/2015appendix.pdf>

¹² State of Hawaii. 2017. *Hawaii Electronic Benefit Transfer (EBT) Program*. Honolulu, HI: Department of Human Services. <http://humanservices.hawaii.gov/bessd/ebt/>

¹³ State of Hawaii. 2017. *Appeals Process*. Honolulu, HI: Department of Labor and Industrial Relations. <http://labor.hawaii.gov/esaro/appeals-process/>

¹⁴ State of California. 2016. Voluntary Plan-Self-Insurers General Release Letter. http://www.edd.ca.gov/Disability/pdf/VP_General_Release_Letter_2017.pdf

¹⁵ Milkman, Ruth, and Eileen Appelbaum. 2013. *Unfinished business: Paid family leave in California and the future of US work-family policy*. Ithaca, NY: Cornell University Press.

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

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TO: Senator Dela Cruz, Chair
Senator Keith-Agaran, Vice Chair
Members of the Committee on Ways and Means

FROM: Cynthia J. Goto, Advocacy Consultant with PHOCUSED

SUBJECT: Testimony in Support of HB 2598 HD2 SD1: RELATING TO FAMILY LEAVE

Hearing: Tuesday, April 3, 2018
10:00 AM
Conference Room 211

Chair Dela Cruz, Vice Chair Keith-Agaran, Members of the Committee on Ways and Means,

Thank you for the opportunity to testify in support of HB 2598 HD2 SD1. I am Cynthia Goto, advocacy consultant for PHOCUSED.

PHOCUSED is a nonprofit, nonpartisan organization dedicated to increasing the safety for, visibility of, and investment in the children and adults in Hawaii who are marginalized, impoverished, and under-served. Our organization has been a leading voice in advocating for families since our formation, as the membership of PHOCUSED and our Board of Directors represent many of the major health and human service providers and peer organizations dedicated to serving the vulnerable populations across our state. As such, PHOCUSED is proud to support HB 2598, HD2 SD1.

This family leave insurance program would provide much needed support for employees who need to take time off to care for their family. Those who are low-income, in particular, are especially vulnerable to loss of wages or employment at a critical time in their families. This bill would provide paid leave from work to care for a new child or sick family member. The vulnerable

PHOCUSED is a membership and advocacy organization for health and human services in Hawaii, which works together with community stakeholders to collectively impact program and policy change for the most vulnerable in our state. Our commitment to the people is reflected in our name – Protecting Hawaii's 'Ohana, Children, Under-Served, Elderly, and Disabled. We are guided by the shared commitment of our members to protect the interests of Hawaii's people and the sector which seeks to provide them with quality programs and services.



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populations for which PHOCUSED has worked to improve their well-being, fall into this group that needs this resource. It allows workers to take adequate time off of work to care for their families without facing financial ruin or jeopardizing their career.

Our organization believes it is especially critical to include the progressive wage replacement to ensure that low-income workers are able to access the program. Those who earn less than half of the average weekly wage should receive 90% of their weekly earnings, while middle-income to higher-income workers should receive 75% or 50% of their weekly earnings, with a weekly cap.

Hawaii's vulnerable populations need family leave as a cost-effective way to keep employees in the work force and also take care of their families. Nearly half of families with children in Hawaii cannot afford basic needs. By 2020, about 40% of the workforce will be providing care for older parents. Paid family leave is needed now.

The majority of families in Hawaii are "working families" who cannot afford to take unpaid leave long enough to cover their care taking needs. Please help our ohana who are struggling to care for their loved ones in their time of need.

Thank you for the opportunity to submit testimony in support of HB 2598, HD2 SD1.

PHOCUSED is a membership and advocacy organization for health and human services in Hawaii, which works together with community stakeholders to collectively impact program and policy change for the most vulnerable in our state. Our commitment to the people is reflected in our name – Protecting Hawaii's 'Ohana, Children, Under-Served, Elderly, and Disabled. We are guided by the shared commitment of our members to protect the interests of Hawaii's people and the sector which seeks to provide them with quality programs and services.



**Testimony to the Senate Committee on Ways and Means
Tuesday, April 3, 2018 at 10:00 A.M.
Conference Room 211, State Capitol**

RE: HOUSE BILL 2598 HD2 SD1 RELATING TO FAMILY LEAVE

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

The Chamber of Commerce Hawaii ("The Chamber") **opposes** HB 2598 HD2 SD1, which requires the Department of Labor and Industrial Relations to establish paid family leave for all workers by 1/1/2020. Authorizes the department to adopt interim rules. Establishes the paid family leave implementation task force to assist the department and report to the Legislature. Requires legislative reference bureau to conduct a study, including an actuarial analysis on aspects of paid family leave and establishes a paid family leave special fund.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ 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 understand the intent of this bill to allow for paid leave in the workplace and agree that citizens need to balance the needs of work and family. Also, we appreciate the effort to bring different stakeholders together to come up with a paid family leave program. However, we do not support this bill.

As many national rankings have shown, the cost of doing and running a business is extremely high. With every additional workplace mandate, the competitive distance is increased, which in turn, affects the ability for employers to sustain and create jobs, as well as provide benefits to employees. While we do not know yet what the program will entail and who will pay for the benefit until the task force meets, we do know that the business community will ultimately be responsible to execute and shoulder at a minimum, some costs.

We need policies that will help Hawaii bring new businesses and support those in existence. Many employers offer paid leave programs as a means for attracting and retaining their workforce especially with our low unemployment rate. Rather than mandating, we suggest encouraging businesses to adopt their own innovative paid leave programs.

The Chamber respectfully asks that this bill be deferred. Thank you for the opportunity to testify.

To: Hawaii State Senate Committee on Ways and Means
Hearing Date/Time: Tues., Apr. 3, 2018, 10:00 a.m.
Place: Hawaii State Capitol, Rm. 211
Re: Testimony of Planned Parenthood Votes Northwest and Hawaii in support of H.B. 2598, HD2, SD1, with amendments

Dear Chair Dela Cruz and Members of the Committee,

Planned Parenthood Votes Northwest and Hawaii (“PPVNH”) writes in support of HB 2598, HD2, SD1, with amendments. PPVNH supports policies that help move us to a society in which it is feasible and commonplace to have family leave insurance (“FLI”) and the funding mechanisms that make such leave available to all workers.

We respectfully request that the bill be amended to specify that any resulting program include:

- (1) A guarantee of sixteen (16) weeks of paid family leave;**
- (2) A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving;**
- (3) A requirement that the program operate as social insurance.**

Most workers have only limited paid leave to deal with their family health needs, and many have no leave at all. When a new child comes into a family or a serious illness strikes, people need longer periods of time off. FLI provides low-cost insurance for all workers, and is a wage replacement program for employees on leave to adopt or give birth to a child, take care of a loved one, or care for themselves.

FLI allows new parents and caregivers to take care of their family with stable, predictable income without becoming dependent on public resources like unemployment insurance or food stamps. Women who have paid leave tend to not only remain in the workforce after pregnancy, but have higher wages over time than those who do not. While it is crucial for women’s economic security and health to have FLI, families of all forms need this benefit too. Businesses see improvements in productivity and cost-savings as a result of providing paid family leave for workers.

Thank you for this opportunity to testify in support of this important measure.

Sincerely,

Laurie Field
Hawaii Legislative Director

COMMUNITY ALLIANCE ON PRISONS

P.O. Box 37158, Honolulu, HI 96837-0158

Phone/E-Mail: (808) 927-1214 / kat.caphi@gmail.com



COMMITTEE ON WAYS AND MEANS

Senator Donovan DelaCruz, Chair

Senator Gil Keith-Agaran, Vice Chair

Tuesday, April 3, 2018

10:00 am

Room 211

STRONG SUPPORT for HB 2598 HD2, SD1 - FAMILY LEAVE

Aloha Chair DelaCruz, Vice Chair Keith-Agaran and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai'i for more than two decades. This testimony is respectfully offered on behalf of all the people who have died in our facilities including, JESSICA FORTSON, JOEY O'MALLEY, DAISY KASITATI, ASHLEY GREY. and the approximately 5,500 Hawai'i individuals living behind bars or under the "care and custody" of the Department of Public Safety on any given day. We are always mindful that approximately 1,600 of Hawai'i's imprisoned people are serving their sentences abroad thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Kanaka Maoli, far, far from their ancestral lands.

Community Alliance on Prisons thanks the committee for considering this bill that is so important to Hawai'i's compassionate people. As a long-time a member of the Hawai'i Women's Coalition and a member of the Working Families Coalition, Community Alliance on Prisons stands in support of this measure.

Currently, Hawai'i employees do not have a right to paid medical or family leave. This seems to be in conflict with how we live in Hawai'i. We are Hawai'i; we care for and about each other! Women are often disproportionately affected since they are oftentimes the caregivers for loved ones.

The lack of family leave also exacerbates the wage gap and threatens the economic stability for both women and men who help provide care for their loved ones through difficult times. As a caregiver to 3 people, I can attest to the fact that it takes time to settle in and get in sync with the patient's rhythm. We therefore, suggest that the bill guarantee 16 weeks leave, as it would be better - especially if the patient is to transition to another caregiver. Many families live paycheck-to-paycheck and would never be able to provide care for their loved if they were paid only a small percentage of their wages or nothing at all. That's NOT who we are as a community!

We urge the committee to pass this important measure with the amendments suggested by the Working Families Coalition.

"Compassion brings us to a stop, and for a moment we rise above ourselves."

Mason Cooley



Tyler Roukema, Chairman – Outback Steakhouse **Kelii Gouveia, Incoming Chair** – Hula Grill
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To: Sen. Donovan M. Dela Cruz, Chair
Sen. Gilbert S.C. Keith-Agaran, Vice Chair
Members of the Committee on Ways and Means

From: Victor Lim, Legislative Chair

Subj: HB2598 HD2 SD1 Relating to Family Leave

Date: March 31, 2018

The Hawaii Restaurant Association represent 3,500 restaurants here in the State of Hawaii stand opposed to SB 2990 SD2 that will require the Department of Labor and Industrial Relations to adopt rules by 1/1 2020 that will establish Paid Family Leave for all workers.

We are very concerned with ongoing cost increases that are being mandated which bring into question the ability of many of our members to be able to survive.

We understand the intent of the bill to provide paid leave in the workplace and allowing people to balance work and family but most of our members just cannot absorb another mandated cost and administrative increase. This is evident by the many long time restaurants that continue to shutter their door as seen in our local news. Even long time businesses like Nalo Farms is under water due to many mandates on costs and requirements.

This past week's Star Advertiser also provide an editorial on this bill that we should go slow because all the burdens that have been put on businesses are hurting them. The restaurants that can afford to offer paid leave programs as a means for attracting and retaining workforce in today's low employment climate are already doing so.

The HRA asks that you please defer this bill. Thank you for this opportunity to share our views.

Aloha.



Tuesday, April 3, 2018; 10:00 a.m.
Conference Room 211

Senate Committee on Ways and Means

To: Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair

From: Gail Lerch
Executive Vice President of Human Resources & Organizational Effectiveness

Re: HB 2598, HD2, SD1 – Comments

My name is Gail Lerch, and I am the Executive Vice President of Human Resources & Organizational Effectiveness for Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system with over 70 locations statewide including medical centers, clinics, physicians and other caregivers serving Hawai'i and the Pacific Region with high quality, compassionate care. Its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox – specialize in innovative programs in women's health, pediatric care, cardiovascular services, cancer care, bone and joint services and more. Hawai'i Pacific Health is recognized nationally for its excellence in patient care and the use of electronic health records to improve quality and patient safety.

We offer comments and concerns regarding HB 2598, HD2, SD1 which requires the Department of Labor and Industrial Relations (DLIR) to establish paid family leave for all workers by January 1, 2020. It also authorizes DLIR to adopt interim rules, establishes the Paid Family Leave Implementation Board, requires the Legislative Reference Bureau to conduct a study, including an actuarial analysis, on implementing paid family leave, and establishes a Paid Family Leave Special Fund.

We acknowledge and appreciate the intent of this bill to provide paid family leave to all workers in the state. Hawaii Pacific Health already provides family leave to its employees in conjunction with paid time off that is consistent with federal and state laws such as the Family Medical Leave Act as well as the Hawaii Family Leave law.

We are concerned that the vague language of the bill makes it difficult for us to assess the impact of the requirements on our employees and our health care system. The lack of information regarding the number of weeks employees will be allowed to take paid family leave, how much will be collected from employers and employees for the special fund, and how the program will impact our current leave programs, benefits package and collective bargaining agreements makes compliance with the new requirements

extremely difficult. In the absence of such details, the bill creates a burdensome situation for employers who may incur significant costs to not only contribute to the special fund, but also in restructuring procedures and protocols and benefits packages and collective bargaining agreements.

Thank you for the opportunity to provide this testimony.



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

**TESTIMONY FOR HOUSE BILL 2598, HOUSE DRAFT 2, SENATE DRAFT 1,
RELATING TO FAMILY LEAVE**

**Senate Committee on Ways and Means
Hon. Donovan M. Dela Cruz, Chair
Hon. Gilbert S.C. Keith-Agaran, Vice Chair**

**Tuesday, April 3, 2018, 10:00 AM
State Capitol, Conference Room 211**

Honorable Chair Dela Cruz and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in strong support of House Bill 2598, HD 2, SD 1, relating to family leave.

This measure would *finally* establish a family leave insurance program for Hawai'i's workers, with up to 16 weeks of paid time off to address family needs, including keiki and kupuna care. Once effectuated, family leave insurance should also provide progressive wage replacement, allowing low-income workers to receive a higher percentage of their weekly wages (ideally, up to 90 percent) to make the benefit accessible to everyone.

Hawaii's workers need this benefit. In a 2017 public poll, 62 percent of Hawaii respondents reported that they had wanted to take leave in the past in order to care for a new child or family member. Currently, Hawaii employees do not have a right to paid family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with up to 12 weeks for employers with 50 or more employees. The Hawai'i Family Leave Law applies to employers with 100 or more employees and allows up to four weeks. This is also unpaid leave. Moreover, 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 247,000 Hawaii workers are caregivers for a family member.

This program would help Hawaii's businesses. Family leave insurance increases worker retention and loyalty. Workers who have access to family leave benefits are more likely to return to work after their leave is over. In a 10-year study of the California family leave insurance

program, businesses reported that family leave had either a positive or a neutral effect on their business. Small businesses were less likely than large businesses to report any negative effects.

Providing paid time off for family caregiving strongly promotes gender equity.

Women are often disproportionately impacted by the lack of paid leave, 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 and adversely impacts the economic stability of both male and female caregivers.

We know this can work in Hawai'i. Top experts in the area of family leave have studied the usage, cost, and feasibility of implementing a family leave insurance program for the islands. These studies collectively found that family leave insurance is a necessary and cost-effective way for workers to take adequate time off of work to care for their families without facing financial ruin or jeopardizing their careers.

We need a program that is affordable and designed to be revenue-neutral. The Institute for Women's Policy Research, which houses some of the nation's top experts on family leave, conducted an actuarial analysis using a simulation model to study the use and cost of family leave insurance for our state, which found that the annual cost to cover sixteen weeks of leave for a worker making \$48,000 would be roughly \$58—a little over one dollar per week to pay for invaluable financial security.

Finally, **we encourage you to continue specifying in this bill that family leave insurance shall be instituted no later than 2020, thus providing a timely benefit to Hawai'i's workforce.** Prior to implementing its own family leave insurance program, New York completed an analysis of how to do so in less than two years. There is no reason that Hawai'i should take more time than New York, given our significantly smaller population size.

It's a stark reality when employees face the dire dilemma of needing to care for newborn or sick children, spouses, or parents, while also having to work to sustain their family's income. We must offer a smart, affordable solution that empowers workers to balance performing their jobs with caring for their families.

Mahalo for the opportunity to testify in strong support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance

HB-2598-SD-1

Submitted on: 4/1/2018 7:09:42 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan J. Wurtzburg	Testifying for American Association of University Women, Hawaii	Support	No

Comments:

AAUW-Hawaii strongly supports HB 2598, HD2, SD1 establishing paid family leave for all workers by 2020, with workers receiving benefits by 2022.

Currently, families in the state are struggling, with roughly half (48%) living paycheck-to-paycheck. One in five (20%) Hawaii residents have been ill or have had a sick family member, and were faced with the challenge of paying for medical care. When I conducted court mediations in Utah, many of the families I encountered were dealing with medical bills. Many families are one severe medical bill away from homelessness. Indeed, in Hawaii, 25% of residents in a recent survey have experienced the fear of not being able to pay their rent or mortgage. We desperately need solutions to keep families in homes and out of poverty. Paid family leave (with good supporting data) offers a smart solution that alleviates some of the hardship faced by working families, and helps Hawaii's small businesses offer competitive benefits packages and retain key employees.

Currently, Hawaii 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 Hawaii 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, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

HB 2598 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- Universal Coverage – all people and employers would participate in the system
- Job Protection – if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave

- Progressive Wage Replacement – many families live paycheck-to-paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Sincerely,

Susan J. Wurtzburg, Ph.D.

Policy Chair, AAUW-Hawaii

**LARRY JEFTS FARMS, LLC
PO BOX 27
KUNIA, HAWAII 96759
(808) 688-2892**

HB 2598,hd2,sd1 Relating to Family Leave
Sen WAM Decision Making Hearing
Tuesday, April 3, 2018
10:00 am
Conference Room 211

Testimony by: Larry Jeffs
Position: Oppose

Chair Dela Cruz, and Members of the Senate WAM Committee:

I am Larry Jeffs, owner and operator of Larry Jeffs Farms, LLC, which is part of our family-run business of farms on Oahu and Molokai, under the administrative umbrella of Sugarland Growers, Inc. We have more than 35 years of Hawaii farm experience on Molokai and Oahu.

I understand and appreciate the intent of this bill to allow for paid leave in the workplace and agree that citizens need to balance the needs of both work and family. However, as written this bill sets in statute paid family leave before conducting an actuarial study and leaving the details of the program to be worked out later.

Without policy makers' due diligence, to include analysis of the actuarial study, it is premature to mandate family leave. As we all know, the cost of running a business in Hawaii is extremely high due to the cost of land, water, shipping etc. Additional workplace mandates decreases our Farms' ability to compete with import replacement produce, and our ability to sustain our workforce and competitive benefits.

We need policies that will help Hawaii support those businesses already in existence and attract new businesses, adding more jobs to support families in Hawaii.

Your support in holding this bill is appreciated. Thank you for the opportunity to present testimony



AMERICANS FOR DEMOCRATIC ACTION

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Karin Gill, Secretary	Chuck Huxel	Doug Pyle		

April 1, 2018

TO: Honorable Chair Dela Cruz and Members of the WAM Committee

RE: HB2598 HD2 SD1 Relating to Family Leave

Support for decision making on April 3

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support HB2598 as it would establish a program for paid family leave insurance. Our organization had a high school intern a couple of years ago named Nick Chang. He spent the summer trying to find out what policy change would do the most to reduce the gap between the wages of men and women in Hawai'i. His answer was paid family leave insurance. This does not include the other benefits of this program for children and other family members who need care. Although this program may ultimately have a small cost to workers and/or employers, it would have great benefits for families in need.

Thank you for your favorable consideration.

Sincerely,

John Bickel
President



April 1, 2018

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Re: H.B. 2598, H.D.2 S.D.1 Relating to Family Leave

Hearing: Tuesday April 3, 2018, 10:00 am, Room 211

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee on Ways and Means:

Hawaii Women Lawyers submits testimony in **strong support** of H.B. 2598, H.D.2 S.D.1. This measure ensures a paid family leave special fund and lays the groundwork to implement a paid family leave framework of law and policies so that all employees can access leave benefits during times when they need to provide care for a family member.

The mission of Hawaii Women Lawyers is to improve the lives and careers of women in all aspects of the legal profession, influence the future of the legal profession, and enhance the status of women and promote equal opportunities for all.

This bill is exceptionally important as Hawaii now is expected to have the highest growth rate (over 80 percent by 2030) of the elderly in the United States. Women are predominantly the primary caregivers of infants, children and their elder family members in our society. The time and money required to provide this care can be staggering. Women caregivers are more likely to either leave the workforce completely, or opt to work part-time, than their male counterparts if they must take over primary caregiver responsibility. This further exacerbates the already existing wage discrepancy for women. Paid family leave is a necessary and cost-effective way for caregivers to take leave from work to care for their families without facing significant financial or career implications.

Hawaii Women Lawyers supports this measure because it moves forward a system to support women who are the predominant primary caregivers of infants, children, and their aging parents. Paid family leave is also likely to encourage loyalty for women to remain in their careers. This measure will begin the necessary steps to frame and implement a sound family leave policy to protect and preserve Hawaii families' health and financial stability. For this reason, we respectfully request that the Committee pass H.B. 2598, H.D.2 S.D.1.

Thank you for the opportunity to testify in strong support of this measure.

HB-2598-SD-1

Submitted on: 4/2/2018 4:25:12 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and Members of the Committee on Ways and Means:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB2598 HD2 SD1** relating to Paid Family Leave; DLIR; Insurance; Board; Report; and an appropriation.

The OCC on Legislative Priorities is in favor of **HB2598 HD2 SD1** and strongly supports its passage.

HB2598 HD2 SD1 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it requires the Department of Labor and Industrial Relations to establish paid family leave for all workers by January 1, 2020; authorizes DLIR to adopt interim rules; establishes the Paid Family Leave Implementation Board to assist DLIR and report to the Legislature; requires the Legislative Reference Bureau to conduct a study, including an actuarial analysis, on aspects of implementing paid family leave, Special Fund; and appropriates funds, effective on 7/1/2030.

Specifically, the DPH Platform provides that "[a]s the party of working men and women in Hawai'i, we work to protect labor rights and social security; to ensure fair labor practices, a living wage for all workers, equal pay for equal work and fair taxation; we encourage legislation to raise the minimum wage and paid family and sick leave; to protect employees' rights to organize and bargain collectively with their employers; to oppose the outsourcing of Hawaii's jobs; to promote employment opportunities and sustainable growth; to assist the economically disadvantaged and advocate for sound trade and economic policies; and build our workforce for jobs in emerging technologies, in green industries, in renovation, and in green construction, so that their jobs are not dependent on ever-expanding real estate development. (Platform of the DPH, P.3, Lines 122-129 (2016)).

Given that **HB2598 HD2 SD1** requires the Department of Labor and Industrial Relations to establish paid family leave for all workers by January 1, 2020; authorizes DLIR to adopt interim rules; establishes the Paid Family Leave Implementation Board to assist DLIR and report to the Legislature; requires the Legislative Reference Bureau to conduct a study, including an actuarial analysis, on aspects of implementing paid family leave, Special Fund; and appropriates funds, effective on 7/1/2030, it is the position of the OCC on Legislative Priorities to strongly support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC on Legislative Priorities

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

HB-2598-SD-1

Submitted on: 3/30/2018 2:36:00 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Genie Jane	Individual	Support	No

Comments:

Dear Chair Dela Cruz and members of the committee,

Please vote in support of HB 2598. My name is Genie Reutirez and I am an HPU student as well as a Generation Action club member with Planned Parenthood. This bill is very important because this ensures family members are able to take time out of work to care for their family. Employees shouldn't be punished for taking off time to care for their family members but rather be offered support, guidance, and validation that they won't end up jobless afterwards.

HB-2598-SD-1

Submitted on: 3/30/2018 2:38:26 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Raymond John Ramiro	Individual	Support	No

Comments:

To Senators De La Cruz, Keith-Agaran, and the members of the Committee,

I'm Raymond John Ramiro, a student at HPU and a member of Planned Parenthood's Generation Action Team. Please support HB2598; in regards to family leave insurance. Life has a unique way of working, and I've learned it firsthand during a family emergency; staying by their side until the situation improved. HB2598 supports family leave during times of great need, meaning the world to those who suffered or are suffering. Again, I strongly consider for you all to support this initiative.

Thank you for your time and consideration.

- Raymond John Ramiro

HB-2598-SD-1

Submitted on: 3/30/2018 2:41:54 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Hannah Tooke	Individual	Support	No

Comments:

Dear Members of the Committee,

I urge you to support and pass HB2598. My name is Hannah and I'm an HPU student and a Planned Parenthood Generation Action member. This bill is especially important to me because I believe all individuals should be able to take time off of work and not lose their jobs, in order to care for their families in times of need.

Thank you for this opportunity to voice my opinion and again, I encourage you to support HB2598.

TESTIMONY to Senate Committees on Ways and Means

Regarding: H.B. 2598 HD2 SB1

Tuesday, April 3, 2018 10:00 am

State Capitol Conference Room 211

Submitted in **OPPOSITION** by: Mary Smart, Mililani, HI 96789

Chair Dela Cruz, Vice Chair Keith-Agaran, and Committee Members

Ideas such as those found in HB 2598 HD 2 SD1 may sound good but are impractical and ultimately hurt the people you represent. There are many laws and provisions that already address family leave. We don't need another one. [CNBC reported](#) Hawaii ranked as 2nd worst business climate of all 50 states. Note, the linked report identified Hawaii as having the highest cost of doing business (50) and the highest cost of living (50) of all states.

The concept contained in this bill will stifle job creation and tax your constituents into poverty and homelessness. A new "special fund" is not necessary and I suspect, it will be as poorly managed and easily raided as all the other special funds. It is up to the employer to decide what benefits they will offer, and if those benefits are not sufficient, the employee is free to go to another workplace. Employers must be able to compete for the best employees within their financial means. This bill may cause barely surviving organizations to find ways to eliminate employees because they can't afford to pay all the "good idea" benefits the legislature mandates. Good intentions can have negative results. For example, [studies](#) have shown that raising the minimum wage to exorbitant amounts (another "good idea") results in people actually earning less income. Hawaii needs to learn from the mistakes of other communities. The results of this bill will be to hurt people – not help them. Vote No on HB 2598 HD2

HB-2598-SD-1

Submitted on: 3/28/2018 7:20:03 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Minton	Individual	Support	No

Comments:

HB-2598-SD-1

Submitted on: 3/31/2018 11:08:14 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ashley de Coligny	Individual	Support	No

Comments:

To: Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means

Subject: Testimony in SUPPORT of SB 2598, HD2, Relating to Family Leave

Hearing: Hawaii State Capitol, Room 308, March 28, 2018, 4:00 PM

Thank you Chair, Vice Chair and committee members for allowing this testimony in SUPPORT of SB2598 HD2 regarding Family Leave Insurance.

The United States is the only industrialized nation without paid family leave. By establishing paid family leave in Hawaii, we would join the states of California, Washington, New Jersey and Rhode Island who have paid family leave.

The Family Leave and Medical Leave Act was passed in 1993. Though FMLA provided leave, it provided no wage replacement. For many workers, that meant taking time off for the birth of a baby or to care for a family member was economically impossible.

SB2990, SD2, HD1 would provide for the review of paid leave systems with the goal of establishing the best system for Hawaii by 2020.

I note that US Dept of Labor already funded a study for paid family leave insurance program for Hawaii which was completed in 2017 and authored by well-regarded national experts in the field. That study should be included as a reference and reviewed by the implementation group for consideration. That study proposed a Paid Family Leave Insurance program which would provide progressive wage replacement paid from very affordable employee contributions of about \$1 per week. Progressive wage replacement pays low income workers a higher percentage of wages allowing them the economic resources to take time off for the birth of a baby or for the illness of a parent.

I support the House Finance amendment to put this under the Department of Human Services. Thank you for allowing me to testify in SUPPORT of this HB2598.

Sincerely,

Amy Monk

Commissioner, Hawaii State Commission on the Status of Women

HB-2598-SD-1

Submitted on: 3/28/2018 7:40:52 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
E. Ileina Funakoshi	Individual	Oppose	No

Comments:

My heart goes out to care givers but it will cause a burden upon employers and employees. f the person is covering for the paid leave employee and another person calls in sick. That remaining person might become sick from the stress.

Maybe a day a week for one month. Can we sustain the cost of this program as proposed?

Thank you for the opportunity to submit my comments.

e. ileina funakoshi

HB-2598-SD-1

Submitted on: 3/29/2018 8:26:59 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Golojuch	Individual	Support	No

Comments:

HB-2598-SD-1

Submitted on: 4/1/2018 6:11:53 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dina Shek	Individual	Support	No

Comments:

HB-2598-SD-1

Submitted on: 3/29/2018 3:26:27 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Ampolos	Individual	Support	No

Comments:

HB-2598-SD-1

Submitted on: 4/1/2018 9:33:53 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Katherine T. Kupukaa	Individual	Oppose	Yes

Comments:

Senator Donovan M. Dela Cruz, Chair
COMMITTEE ON WAYS AND MEANS
HB2598 HD2 SD1 Companion SB2990
Tuesday, April 3, 2018
10:00am Conference Room 211 State Capitol

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Committee Members.

My name is Kathleen Soque and I thank you for the opportunity to testify in support of HB2598 HD2 SD1 relating to the implementation of paid family leave for all workers in the State. This measure would also establish the Paid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations and report to the Legislature, and would require the Legislative Reference Bureau to conduct a study on implementing paid family leave.

My reasons for supporting this measure are in the hopes that an employee is able to take time off to care for a family member facing a serious medical issue, injury or providing care to an ill spouse or elderly parent. It would also allow new parents the opportunity to spend more time at home caring and bonding with their newborn child. Most important, it provides our working families peace of mind and job security at a time when they shouldn't have to worry if they can afford to take leave or will they have a job to return to.

I thank you for the opportunity to testify today and I deeply encourage you to support HB2598 HD2 SD1 relating to paid family leave for all workers in the State. Aloha.....

Kathleen Soque

soquek1@hawaii.rr.com

HB-2598-SD-1

Submitted on: 4/2/2018 8:16:32 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Rocca	Individual	Support	No

Comments:

I strongly encourage the committee to pass this measure.

HB-2598-SD-1

Submitted on: 4/2/2018 9:03:31 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Finley-Jacob	Individual	Support	No

Comments:

Dear Chair Dela Cruz and Members of this Committee,

My name is Lauren Finley-Jacob, and I am writing to express my support for HB2598, which would establish paid family leave to Hawaii's workers.

I've recently seen first-hand what an unexpected tragedy can do to a family. My hanai uncle had surgery on his back, but due to physician negligence, he came out of the surgery paraplegic. Being the primary breadwinner of the family, his absence in the workplace has been extremely hard on the immediate family and their financial situation. His son flew back from the mainland to be his official caretaker until they can figure out if this will be a permanent solution, or if they need to replace him. With all the emotional trauma that this family has had to deal with, the establishment of paid family leave could have greatly helped their situation, at least in the financial sense, by eliminating some of the burden that they have had to endure.

I urge you to support HB2598 because as a state that values aloha, our kupuna, our keiki, and our ohana, we need to establish paid family leave to make taking care of our loved ones practical. Thank you for the consideration of my testimony.

Mahalo,

Lauren Finley-Jacob
Planned Parenthood Votes Northwest and Hawaii
Field Organizer

I am writing in strong support of HB 2598, HD2, SD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022.

Hawaii's families are struggling, with roughly half (48%) living paycheck-to-paycheck. One in five (20%) Hawaii residents have been ill or have had a family member who has gotten sick and were faced with the dilemma of how they would pay for medical care. A quarter (25%) of Hawaii residents polled have experienced the fear of not being able to pay their rent or mortgage. Hawaii is in dire need of solutions to help lift families out of poverty, and prevent other families from being pushed into poverty or homelessness. Paid family leave offers a smart solution that alleviates some of the hardship faced by our working families, and helps Hawaii's small businesses offer competitive benefits packages and retain key employees.

Currently, Hawaii 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 Hawaii 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, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

HB 2598 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- Universal Coverage – all people and employers would participate in the system
- Job Protection – if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement – many families live paycheck-to-paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Jesse Singleton	Ty Tran	Christina Asao	Ana Zorilla
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Faye Salcedo	Kai Steuer	Carmen Golay	
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Hawaii's families are struggling, with roughly half (48%) living paycheck-to-paycheck. One in five (20%) Hawaii residents have been ill or have had a family member who has gotten sick and were faced with the dilemma of how they would pay for medical care. A quarter (25%) of Hawaii residents polled have experienced the fear of not being able to pay their rent or mortgage. Hawaii is in dire need of solutions to help lift families out of poverty, and prevent other families from being pushed into poverty or homelessness. Paid family leave offers a smart solution that alleviates some of the hardship faced by our working families, and helps Hawaii's small businesses offer competitive benefits packages and retain key employees.

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According to the U.S. Department of Labor, Bureau of Labor Statistics, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

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- A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Kathleen Gauci	Paul Gauci	Scott Foster	Shay Chan Hodges
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Randy Ching	Younghee Overly		
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The emergence of paid family leave as an important issue is a reflection that paid family leave is a win for everyone: workers, businesses, children, elders, and the economy. A paid family leave program would make it easier for new parents—both mothers and fathers—to care for their children without undue financial hardship. Research has shown that paid family leave helps parents to recover from childbirth, bond with newborn or newly adopted children, and better meet their children’s health needs. Access to paid family leave also increases the likelihood and average duration of breastfeeding, which improves the health of newborn children and their mothers. Seriously ill children benefit when their parents can afford time off to care for them. Research shows that ill children have better vital signs, faster recoveries, and reduced hospital stays when cared for by parents. In addition, with paid family leave, workers would not have to sacrifice their economic security in order to care for ill or aging relatives. The benefits of family caregiving to elderly and sick individuals are clear: family caregivers can help these individuals recover more quickly and spend less time in hospitals. Policies that support family caregiving create savings that benefit all Hawai’i taxpayers. Unpaid family caregivers not only help to ease the burden on our crowded hospitals and long-term care facilities but also create enormous financial savings. For example, recipients of family caregiving are less likely to have nursing home care or home health care paid for by Medicare. In 2007, unpaid family caregivers in the United States provided services valued at approximately \$375 billion a year. California, New Jersey, and Rhode Island have adopted—and successfully implemented—similar paid family leave laws to those proposed in this law. Research shows that an overwhelming majority of California employers believe paid family leave has had a positive or neutral effect on their business operations. Studies have also shown that paid family leave leads to business savings, by increasing employee retention, lowering turnover costs, improving productivity, and enhancing worker morale and loyalty. In today’s economy, paid family leave is a low-cost way to keep workers employed and to help workers meet family needs. For example, women who take paid leave after a child’s birth are more likely to be employed 9-12 months after the child’s birth than working women who take no leave. New mothers who take paid leave are also more likely to report wage increases in the year following the child’s birth. When forced to leave their jobs or take unpaid leave, many poorer workers must turn to public assistance programs for support. By keeping workers with caregiving needs attached to the workforce, paid family leave can decrease reliance on public assistance, in turn creating significant taxpayer savings. It is time to support Hawai’i’s families. Thank you and Aloha, Ann Oshiro-Kauwe

I am writing in strong support of HB 2598, HD2, SD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022.

Hawaii's families are struggling, with roughly half (48%) living paycheck-to-paycheck. One in five (20%) Hawaii residents have been ill or have had a family member who has gotten sick and were faced with the dilemma of how they would pay for medical care. A quarter (25%) of Hawaii residents polled have experienced the fear of not being able to pay their rent or mortgage. Hawaii is in dire need of solutions to help lift families out of poverty, and prevent other families from being pushed into poverty or homelessness. Paid family leave offers a smart solution that alleviates some of the hardship faced by our working families, and helps Hawaii's small businesses offer competitive benefits packages and retain key employees.

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- Universal Coverage – all people and employers would participate in the system
- Job Protection – if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement – many families live paycheck-to-paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Ann Oshiro Kauwe

From: [Jessie Macdonald](#)
To: [WAM Testimony](#)
Subject: IN SUPPORT of HB2598
Date: Monday, April 2, 2018 2:05:25 PM

Aloha Chair Dela Cruz,

I've worked at my job for 5 years. We receive paid time off when we reach 2,000 hours. It took me 3.5 years to reach 2,000 hours to receive 16 hours of paid time off. I have to use paid time off to take vacations and sick days. When I can't get enough hours at work, I have to use it to reach a minimum number of hours so I can keep my health insurance.

My company has no maternity leave, so when I get pregnant, I will need to use FMLA, which is unpaid. I'll keep my job, but I'll lose my health insurance. Without health insurance, I can't afford to have a child. I need paid family leave so I can support my family and pay for my health insurance out of pocket.

Jessie L. Gonsalves