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LEGISLATIVE REFERENCE BUREAU
State of Hawaii
State Capitol, Room 446
415 S. Beretania Street
Honolulu, Hawaii 96813

Written Comments



HB2598, HD2, SD1 RELATING TO FAMILY LEAVE

Charlotte A. Carter-Yamauchi, Director
Legislative Reference Bureau

Presented to the Senate Committee on Ways and Means

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

Chair Dela Cruz and Members of the Committee:

Good Morning Chair Dela Cruz and members of the Committee, my name is Charlotte Carter-Yamauchi and I am the Director of the Legislative Reference Bureau. Thank you for providing the opportunity to submit written comments on H.B. No. 2598, H.D. 2, S.D. 1, Relating to Family Leave.

The purpose of this measure is to:

- (1) Require the Department of Labor and Industrial Relations to establish rules, by no later than January 1, 2020, that implement paid family leave coverage for all workers that includes an unspecified minimum number of weeks of paid leave for employees, a system of progressive wage replacement, and job protection to ensure utilization of paid family leave does not adversely affect employment;
- (2) Establish a Paid Family Leave Implementation Board to develop an analysis and implementation plan for providing workers with family leave insurance benefits during times when a worker is required to take leave to care for a family member;
- (3) Require all executive branch departments and agencies to participate and engage in data collection and sharing to facilitate the paid leave program;

- (4) Establish a Paid Family Leave Special Fund to carry out the purposes of this measure;
- (5) Require the Legislative Reference Bureau to conduct a study, that includes an actuarial analysis of items included in the Paid Family Leave Implementation Board's study;
- (6) Require that both the Board's report and the Bureau's study include a multi-year budget, for establishing a paid family leave insurance program and include a review of other state leave and Temporary Disability Insurance models and review of Temporary Disability Insurance usage;
- (7) Appropriate an unspecified sum for fiscal year 2018-2019 from the general fund for deposit into the Paid Family Leave Special Fund;
- (8) Appropriate an unspecified sum for fiscal year 2018-2019 from the Paid Family Leave Special Fund:
 - (A) For one full-time program manager to support the Paid Family Leave Implementation Board, pay for the Board's expenses, and to cover the costs of conducting the study to implement paid family leave; and
 - (B) For the expenses of the Department of Labor and Industrial Relations in establishing paid family leave for all workers by January 1, 2023, and to cover the costs of conducting the study to implement paid family leave; and
- (9) Appropriate an unspecified sum for fiscal year 2018-2019 from the Paid Family Leave Special Fund for the Legislative Reference Bureau to conduct the study and actuarial analysis and authorize Bureau to contract for services to complete the study.

The Bureau takes no position on the merits of this measure, but submits the following comments for your consideration.

However, we have some concerns with how the measure is currently drafted with respect to the work requested of the Bureau. The language of the measure requires the Bureau to not only conduct a study, but also perform an actuarial analysis of the following:

- (1) A comparative analysis of potential paid family leave models to cover all workers including, but not limited to, social insurance and temporary disability insurance expansion, including a breakdown of the costs for implementing and sustaining each model, review of other state leave models, and review of

current temporary disability insurance usage and other state temporary disability insurance models;

- (2) Models that shall consider progressive wage replacement and job protection;
- (3) A multi-year budget for establishing a paid family leave insurance program;
- (4) A timeline for implementing paid family leave, including benchmarks and deliverables; and
- (5) Findings and other recommendations, including recommendations for ongoing regulation and additional funding resources.

We would like to also note that the bill does not specify to whom the report is to be delivered nor the date by which the Bureau is to submit it.

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.

Furthermore and perhaps more importantly, it seems that the responsibilities established under the measure are divided unnecessarily between, and in many cases duplicative of those assigned to, the Paid Family Leave Implementation Board, the Department of Labor and Industrial Relations, and the Bureau. Trifurcating the duties and tasks established under the measure will most likely lead to difficult complications in coordinating the collection and dissemination of information among parties and coming to an agreement on how to proceed with assigned tasks. Moreover, the measure has:

- (1) The Department of Labor and Industrial Relations adopting rules that establish a paid family leave program for all workers in the State that meets certain specified criteria (see page 10, line 11 to page 11, line 19);
- (2) The Bureau conducting a study on a number of specified issues that overlap with the criteria to be used by the Paid Family Leave Implementation Board (see page 15, lines 8 – 10); and
- (3) The Board developing an analysis and implementation plan to provide workers with family leave insurance benefits and reporting to the Legislature on

substantially identical issues as the Bureau (see page 15, line 11 to page 16, line 11).

Furthermore, according to the measure, the Paid Family Leave Implementation Board and the Department of Labor and Industrial Relations, with moneys from the paid family leave special fund created in the measure, will be able to hire staff, contract a consultant, and defray costs associated with the implementation of the paid leave program. We also note that the Paid Family Leave Implementation Board's membership already includes representatives of executive branch agencies that do have access to actuarial services and have considerable subject matter expertise in leave programs and insurance. As such, the measure establishes a seemingly convoluted and unnecessarily complicated process to create the paid leave program.

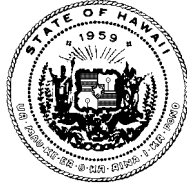
If the Committee decides to recommend the passage of this measure and desires to keep the Bureau involved, we respectfully request that:

- (1) The Committee clarify the role and responsibility of the various entities involved to eliminate duplication of effort and wasted resources;
- (2) If the Committee still wants the Bureau involved in the actual conduct of the study and actuarial analysis, that we be provided not less than two years to complete the assigned task and sufficient funds to contract for these services; or
- (3) If the Committee believes that the tasks established in the measure should be consolidated and executed by the Paid Family Leave Implementation Board, as the entity responsible for the study and actuarial analysis, and that the Bureau's role in this project should be limited to finalizing the Board's report and drafting proposed legislation, then the measure should be amended to specifically clarify that the Bureau assist with only the finalizing of the Board's reports and drafting proposed legislation. We would also request that it be specified that the respective draft report be submitted to the Bureau no later than September 1, 2018, so that work on the report would not adversely impact our ability to provide our core services to the Legislature for the upcoming Regular Session.

If the measure is amended to address the concerns noted above, the Bureau believes that the services requested under the measure would be manageable and that the Bureau will be able to provide the services in the time allotted; provided that the Bureau's interim workload is not adversely impacted by too many other studies or additional responsibilities, such as conducting, writing, or finalizing other reports, drafting legislation, or both, for other state agencies, task forces, or working groups that may be requested or required under other legislative measures.

Thank you again for your consideration.

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

April 2, 2018

LATE

TO: The Honorable Donovan Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2598 HD2 SD1 – RELATING TO FAMILY LEAVE**

Hearing: Tuesday, April 3, 10:00 a.m.
Conference Room 211, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports establishing and implementing a robust family leave insurance program for all employees in Hawaii, so long as the priorities outlined in the administration's budget are not adversely affected.

PURPOSE: The purpose of the bill is to establish a paid family leave program within the Department of Labor and Industrial Relations (DLIR); lay the groundwork to implement a paid family leave framework of laws and policies; establish a paid family leave implementation board.

In 2016, DHS, through the Hawaii State Commission on the Status of Women (HSCSW), received a competitive grant from the United States Department of Labor (US DOL). The US DOL Paid Leave Analysis grant program was intended to support research and analysis needed to explore, develop, implement, and/or improve paid family and medical leave programs at the State and municipal levels. Through this grant, the HSCSW completed research in the following categories: economic analysis, eligibility, and benefit modeling; a feasibility and implementation study to carefully examine how a paid leave program could be successfully implemented on the state level; public polling of Hawaii

residents; focus groups of mothers, fathers, family caregivers, unions, small businesses, and large businesses. The research was completed in September 2017 and provides a wealth of data on how successful and financially solvent paid leave programs can be implemented, using Hawaii-specific data and employee information. SB 2990 SD2 HD1 provides for another study on paid leave, to be conducted by the Legislative Reference Bureau. DHS appreciates the need for sound data, but points out that all underlying research necessary to implement paid family leave has already been conducted. For the full Paid Leave Analysis report, see Hawaii Paid Leave Analysis Report at:

https://www.dol.gov/wb/media/Hawaii_Report_Final_2.pdf.

The Institute for Women's Policy Research, the pre-eminent think tank dedicated to expanding work place policies for families, together with economists Randy Abelda and Alan Clayton-Matthews at the University of Massachusetts, developed and updated the only leave taking simulation model in the nation. This simulation model utilizes data culled from the Census Bureau's American Community Survey (ACS) along with data from the 2012 FMLA Survey conducted by Abt Associates under contract to the US DOL.

The simulation model was used to estimate the usage and costs of four different leave policy scenarios for Hawaii. The most generous leave package, which included 16 weeks of leave with partial wage replacement, and a higher wage replacement for those workers at the lowest income bracket, resulted in an annual cost to employees of roughly \$52.00. The actuarial additionally examined a potential build out of Hawaii's current TDI system. However, because our TDI system is considered a privatized "employer mandate", building out and utilizing our underlying TDI system as a foundation for family leave insurance would be potentially costly to businesses and workers. Additionally, and employer mandate for family leave is the least common model for structuring family leave, internationally and domestically.

Currently, 42% of employees in Hawaii's private sector lack access to even a single day of paid leave. Low wage workers are the least likely to have access to family leave, and hence, are more likely to miss out on critical time with newborns during their first weeks of life. DHS works with the most vulnerable and marginalized populations in our state and we

have a vested interest in ensuring individuals are healthy, thriving, and economically secure.

DHS has undertaken a multi-generational approach through its implementation of 'Ohana Nui, recognizing that Hawaii has the highest percentage of multi-generational households, the highest cost of housing, one of the highest costs of living, and the fastest growing population of individuals aged 65 and older. Our economy is reliant on a female and older workforce, precipitating a need to ensure our work place policies are reflective of this demographic. Paid family leave is associated with better health outcomes for children and mothers; an increase in children receiving well-baby check ups and vaccinations; increased bonding with children; and an increase in elderly individuals being able to age in place with family caregiver support.

In the companion measure SB2990, House Committee on Finance moved the program to DHS. DHS is willing to lead the effort with appropriate time and resources to develop the administrative and operational processes. A majority of family leave programs are built on as social insurance program, where workers pay "premiums" through payroll taxes into a dedicated insurance fund; at the time the worker files a claim, wage replacement is issued as a government benefit.

DHS cautions against using a private insurance model to provide family leave insurance benefits. Currently there is no private product on the insurance market to provide family leave benefits. Like any other private insurance product (health insurance, car insurance) there is a propensity for private insurers to calculate risk and proceed accordingly. An outcome of this would be that women, married people, and older workers would be seen as "high risk" of providing care. Family leave insurance could be priced higher, which means employers might err on the side of not hiring these individuals due to these populations being "more likely" to have caregiving responsibilities. This could potentially lead to increased discrimination against these individuals.

DHS prefers the model of Washington State, which utilizes a social insurance model that is not tied to a TDI program. In this program, both employees and employers jointly contribute. Depending upon the program model, DHS will require appropriate resources and time, to examine current capabilities, obtain consultation regarding project

design, development, and management, to determine needed administrative and operational costs. DHS requests an appropriate effective date to carry out the development and design phase of the program.

Thank you for the opportunity to provide supportive comments on this measure.

NFIB

The Voice of Small Business.®

Before the Senate Committee on Ways and Means

DATE: April 3, 2018

TIME: 10:00 a.m.

PLACE: Conference Room 211

LATE

Re: HB2598, HD2, SD1 Relating to Labor

Testimony of Melissa Pavlicek for NFIB Hawaii

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

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to House Bill 2598, HD2, SD1 which requires the Department of Labor and Industrial Relations to establish paid family leave for all workers by January 1, 2020.

NFIB Hawaii opposes measures which do not adequately allow for flexibility and take into account the circumstances of individual small businesses. Please defer this bill.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents more than 750 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed.



Hawaii Women's Coalition

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

LATE

DATE: Tuesday, April 3, 2018
TIME: 10:00 A.M.
PLACE: Conference Room 211

STRONG SUPPORT FOR HB 2598 which would create a Paid Family Leave Insurance program in the State of Hawaii

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and members,

The Coalition is so happy that this bill is moving forward. We have been in support of this initiative for many years, as it will improve the lives of women substantially.

We note that we are one of the few industrialized countries in the world that has no form of paid family leave insurance. According to a PEW Research Center, the U.S. has the distinction that, among 41 countries, we are the only one to be completely lacking in this regard.

This bill is needed now more than ever. In the absence of coherent policy with respect to America's families coming out of Washington, we must act to shore up the safety net in our state.

To repeat a few points:

- 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.
- 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 but affects the economic stability for both women and men who are caregivers.
- Hawaii's businesses would benefit from paid family leave. Paid family leave helps increase worker retention and loyalty, decreasing the **costs due to turnover**.

Please pass this bill. Mahalo for the opportunity to testify,

Ann S. Freed Co-Chair, Hawai'i Women's Coalition
Contact: annsfreed@gmail.com Phone: 808-623-5676



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

Testimony of

Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

before the
Committee on Ways and Means
April 3, 2018

House Bill 2598, H.D. 2, S.D. 1: Relating to Family Leave

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

On behalf of the Hawai'i Lodging & Tourism Association, the state's largest private-sector tourism organization with nearly 700 members, thank you for the opportunity to offer comments of concern regarding House Bill 2598, H.D. 2, S.D. 1, which would establish a paid family leave program to be developed and administered by the Department of Labor and Industrial Relations.

Many of our members, including the larger employers in the hotel industry, are covered by the Family and Medical Leave Act of 1993 administered by the U.S. Department of Labor and the Hawai'i Family Leave Law. Many of these employers permit employees to use their paid leave for family-related matters. As such, we believe enterprises that provide paid leave in any form should be exempt from the provisions of this proposed program in order to give them the flexibility to accommodate employees seeking leave within the financial and operational demands of their businesses.

Our primary concern, however, is the financial impact of another government mandate, and we therefore request that any action on House Bill 2598 be deferred until the proposed analysis can be completed and reviewed by all stakeholders. Our members are complying with increases in general wages and the minimum wage, hikes in health insurance and other benefits, higher property taxes, an increase in the transient accommodations tax for lodging members, and rising utility and construction and repair expenses. The true economic consequences of House Bill 2598 have yet to be determined, and there should be input from businesses and other employers before this program is authorized and required.

Mahalo.

**Testimony to the Committee on Ways and Means
Tuesday, April 3, 2018
10:00 a.m.
Conference Room 211**

RE: HOUSE BILL 2598 HD2 SD 1 - RELATING TO FAMILY LEAVE

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

I. BACKGROUND

ProService Hawaii provides employee administration services to over 2,000 small businesses in Hawaii, representing over 34,000 employees in Hawaii. As a professional employer organization (PEO), we ensure that our clients remain compliant with Federal and State employment and labor laws, while allowing them to focus on their core business, providing needed and valuable services to the people and the economy of the State. In addition, we ensure that our clients' employees receive timely payment of wages, workers' compensation, TDI and benefits coverage. We also provide HR training and services, dispute resolution, and safety services to our clients and our clients' employees.

We support the efforts of this legislative body to improve the business climate and employee security in Hawaii. As a service organization to so many Hawaii-based businesses and employees, we offer the following testimony:

II. HB2598 HD2 SD1

- Currently, Hawaii does not have a mandated employee leave law.
- Progressive wage replacement as drafted, while helpful to low-income worker could be discriminatory to average or high-wage workers. An average or high-wage worker may not be assisted by the program if the wage replacement is too low.
- The bill is unclear how Businesses and Employees would be taxed to cover the cost of the program.

- We are concerned that taxing workers further by reducing take-home pay each pay period for all employees to offset a possible future leave without clear levels of income-replacement and duration would cause harm to workers.
 - Adding costs to businesses will affect the economy by impacting hiring and retention decision. An additional cost is a barrier to bringing new businesses to Hawaii, reduciint opportunity for Hawaii workers.
- III. We recommend that further analysis be completed on the anticipated costs and funding for the program before approving legislation.

Thank you for the opportunity to submit testimony.



Testimony to the
Senate Committee on Ways and Means
April 3, 2018
10:00 a.m.
State Capitol - Conference Room 211



RE: HB 2598, HD2, SD1 Relating to Family Leave

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

On behalf of the Society for Human Resource Management – Hawaii Chapter (“SHRM Hawaii”), we are writing in opposition to HB 2598, HD2, SD1 relating to family leave. This bill requires the Department of Labor and Industrial Relations to establish paid family leave for all workers by 1/1/2020.

SHRM Hawaii has a longstanding position of support for initiatives that promote flexibility between employer and employee, rather than requirements that do not take into account unique circumstances. This measure also has the potential to create a conflicting patchwork of leave requirements.

Human resource management professionals are responsible for the alignment of employees and employers to achieve organizational goals. HR professionals seek to balance the interests of employers and employees with the understanding that the success of each is mutually dependent. SHRM Hawaii represents more than 800 human resource professionals in the State of Hawaii. We look forward to contributing positively to the development of sound public policy and continuing to serve as a resource to the legislature on matters related to labor and employment laws.

Mahalo for the opportunity to testify.



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GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

April 3, 2018

TO: HONORABLE DONOVAN DELA CRUZ, CHAIR, HONORABLE TY GIL KEITH-AGARAN, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON WAYS AND EMANS

SUBJECT: **COMMENTS REGARDING H.B. 2598, HD2, SD1, RELATING TO FAMILY LEAVE.** 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. Establishes a Paid Family Leave Special Fund. Appropriates funds. Takes effect on 7/1/2030. (SD1)

HEARING

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

LATE

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

The General Contractors Association (GCA) is an organization comprised of over 500 general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

H.B 2598, HD2, SD1 proposes to require a public and privately funded Paid Family Leave Special Fund – which will be able to study the various issues surrounding Paid Family Leave before implementation or mandating such program. The bill also proposes to allow the department to adopt rules that codify paid family leave for all workers in the state, while also allowing temporary rules (exempt from Chapter 91, HRS) to be implemented. GCA would prefer that any interim rules not be exempt from Chapter 91 – to allow public input to any interim administrative rules that may directly impact employers.

GCA remains concerned about some of the guidance of this measure and some of the questions that have come up include: If the fund is established how will they monitor the use of the fund? If everyone will have access to the fund once it's established could it lead to potential abuse? Also how will parties determine access to the funds when there is a shortfall? Some employers already provide sick leave and paid time off that can be

used for whatever purpose employees want however this proposal may mandate a paid family leave fund that all must contribute to? What happens if all employees want to access it since they are paying into it?

It is evident that businesses, even in Hawaii, are turning more and more to technology to replace the traditional employee, part of it may be due to the increased costs associated with employee mandated benefits which make doing business more expensive and less cost effective for the end consumer. GCA requests this Committee to take those instances into consideration before adding more employee mandated benefits.

While GCA understands the intent of this measure, any proposed mandate that could potentially impact the ability for a small business to operate and even hire employees should be studied very carefully before adoption. Particular attention should be considered of certain industries like the construction industry, who for the most part, provide their employees with a sufficient wage and benefits package including vacation, medical, health and welfare and other incentives for retention purposes. Pay for absences due to illness are required under the Temporary Disability Insurance law. Further many employers provide family and medical leave benefits over and above the statutory requirement as an additional benefit.

H.B. 2598, HD2, SD1 would allow both employers and employees to further study the matter and compare a medical or family leave program with other states and the federal government. Contractors that do business on federal projects are attempting to comply with the Federal mandates on family and medical leave and if anything request that the policies at the very minimum align with any federal mandates on this matter.

Thank you for the opportunity to share our comments.



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

From: Jessica Yamauchi, Executive Director, Hawai'i Public Health Institute

Re: **STRONG SUPPORT for HB 2598, HD2, SD1 Relating to Family Leave**

Hrg: April 3, 2018 at 10:00 am at Conference Room 211

LATE

Thank you for the opportunity to testify in strong support of HB2598, HD2, SD1, Relating to Family Leave 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. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

Created by the legislature in 2012, the Obesity Prevention Task Force is comprised of over 40 statewide organizations, and works to make recommendations to reshape Hawai'i's school, work, community, and health care environments, making healthier lifestyles obtainable for all Hawai'i residents. The Hawai'i Public Health Institute (HIPHI) convenes the Task Force and supports and promotes policy efforts to create a healthy Hawai'i.

HIPHI is in strong support of Hawaii enacting a Paid Family Leave law. 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, about 13 percent 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.

Paid time off for families to care for a newborn also helps to establish a foundation in breastfeeding. Infant feeding practices can greatly affect later growth and development and can be a protective factor against obesity.¹ The American Academy of Pediatrics and the World Health Organization recommend exclusive breastfeeding for the first six months of life and continued breastfeeding with the addition of other foods until a child is at least twelve months of age.²

"A robust body of evidence suggests that breastfeeding has multiple health benefits for infants, and that paid family leave (and other forms of maternity leave) significantly increases the length of time that

¹ S. Arenz et al., *Breast-feeding and childhood obesity - a systematic review*, 28(10) International Journal of Obesity and Related Metabolic Disorders 1247-56 (2004).

² American Academy of Pediatrics, *AAP Reaffirms Breastfeeding Guidelines*, <https://www.aap.org/en-us/about-the-aap/aap-press-room/pages/AAP-Reaffirms-Breastfeeding-Guidelines.aspx> (last updated February 27, 2012).

mothers breastfeed. In a review and analysis of studies of breastfeeding in developed countries, the U.S. Agency for Healthcare Research and Quality found that full-term infants fed formula are at substantially greater risk than breastfed infants for acute ear infection, eczema, gastrointestinal infection, hospitalization for lower respiratory tract diseases in the first year of life, asthma, childhood obesity, Type 2 diabetes, leukemia, and sudden infant death syndrome (SIDS).”³

HB 2598, HD2, SD1 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.

All families will benefit from a comprehensive Paid Family Leave Program. Thank you for the opportunity to provide testimony and recommendations.

Mahalo,



Jessica Yamauchi, MA
Executive Director, HIPHI

³ http://www.nccp.org/publications/pdf/text_1059.pdf

HB-2598-SD-1

Submitted on: 4/2/2018 7:24:23 PM

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



Submitted By	Organization	Testifier Position	Present at Hearing
Dirk Koeppenkastrop	Testifying for IL Gelato Hawaii	Oppose	No

Comments:

HB2598 Relating to Family Leave

My name is Dirk Koeppenkastrop and I am the founder and owner of IL Gelato Hawaii. I am a graduate from the University of Hawaii and as there were no higher-level jobs as a chemist my wife and I started a small business here in Honolulu seven years ago.

We make all natural high quality gelato (ice cream) here in Hawaii and sell wholesale to restaurants and operate two small retail locations. We have approximately 50 employees and most of them part time. The proposed bill is challenging the existence of our gelato business.

In our gelato stores we offer work to high school students and unskilled workers who often have their first jobs with us. They come with little to no experience and need a lot of training and supervision, which we provide.

A scoop of ice cream at our store is \$3.75 and already considered to be too expensive for local families. We get a lot of comments via social media and Yelp reviews that we are too expensive. Our labor cost has been rising from minimum wage \$7.25 to \$10.10 in recent years and food costs in Hawaii are the highest of the nation. Our rents are the highest of the nation also. Energy and insurance cost are higher than anywhere else. **It is very difficult to operate a business in Hawaii.**

Our industry has faced tremendous cost increases these past few years from mandated wage increases along with spiraling prepaid medical insurance premiums where the businesses cover almost all of the premium costs.

The proposed bill will increase the labor cost significantly and we cannot increase our scoop prices, as we would lose our local customers. If payroll continues to increase so substantially we need to close our business, which would challenge our existence and we could no longer offer entry-level jobs to those young people.

For all the reasons above, we strongly oppose this bill. Thank you for allowing us to share our view.

Sincerely,

Dirk Koeppenkastrop, Ph.D.

Owner



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
TUESDAY, APRIL 3, 2018 AT 10:00 A.M.**

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

LATE

TESTIMONY ON HB2598 RELATING TO FAMILY LEAVE

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce. I am writing share our opposition to HB2598 in its current form for the following reasons:

We appreciate the legislature taking a different approach to family leave with this bill and that you are seeking to understand the impacts to businesses with a study and stakeholder input. We feel that the study should also include an economic analysis with input from businesses across Hawaii of various sizes (particularly small businesses). The study should be completed, reviewed, and shared with the business community, legislature, and public before any further action is taken. We ask that a deadline for the study to be completed and publicized be included in the bill and that the date for the Department of Labor and Industrial Relations (DLIR) to implement interim rules be removed. DLIR testified that they do not feel there is enough time (given the date of 2020 to begin program) nor enough resources to complete this task and we feel the results from the study should be analyzed first to see if creating this family leave program is even feasible.

While we agree with the intent and support needed leaves, at this time, we have to oppose this bill in its current form because we think a study should be completed first.

We appreciate the opportunity to testify on this matter and ask that the bill be amended to only call for an economic study on the impact and feasibility of implementing a family leave program.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

April 3, 2018

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

LATE

From: Mandy Finlay, Director of Public Policy
Hawaii Children's Action Network

Re: **HB 2598, HD2, SD1 – Relating to Family Leave – SUPPORT, with requested amendments**
Hawaii State Capitol, Room 211, April 3, 2018, 10:00 AM

Hawaii Children's Action Network (HCAN) writes in support of, with requested amendments to, HB 2598, HD2, SD1 which would require the Department of Labor and Industrial Relations to establish a paid family leave program for all workers by 2020, with benefits paying out by 2022.

The single best way to help children is to lift their families out of poverty, or prevent their families from falling into poverty. Family leave insurance has been linked to a host of positive economic, education, and health outcomes in children, including increased rates of vaccination,¹ increased likelihood of high school graduation,² reduced rates of infant deaths,³ and reduced rates of health conditions such as asthma.⁴ These benefits follow them into adulthood. The program developed pursuant to this measure would help children and families by providing paid family leave benefits to all workers, regardless of employer size, with job protection and a progressive wage replacement scale to enable low-wage workers to receive a higher percentage of their weekly earnings. **We would request, however, that the bill be amended to specify that any resulting program (1) must be structured as social insurance, and (2) must provide at least 16 weeks of paid leave.**

Hawaii's workers need this benefit. In a 2017 public poll, 62% 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 up to 12 weeks of unpaid leave for employers with 50 or more employees. The Hawaii Family Leave Law (HFLL) applies to employers with 100 or more employees and allows up to four weeks. This is also unpaid leave.

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

¹ Children in the U.S. are 25 percent more likely to receive certain vaccines when their mother has access to paid family leave. Berger, Hill, & Waldfogel, *Maternity Leave, Early Maternal Employment and Child Health and Development in the US*; The Economic Journal, 115 (February 2005).

² Carneiro, Loken, & Salvanes, *A Flying Start? Maternity Leave Benefits and Long Run Outcomes of Children*; Forschungs institut zur Zukunft der Arbeit Institute for the Study of Labor (June 2011).

³ Heymann, Raub, Earle, *Creating and Using New Data Sources to Analyze the Relationship Between Social Policy and Global Health: The Case of Maternity Leave*, Public Health Rep. 2011; 126(Suppl 3): 127-134.

⁴ Broadway, Kalb, Kuehnle, & Maeder, *The Effect of Paid Parental Leave on Child Health in Australia*; Melbourne Institute of Applied Economic and Social Research (April 2015).

caregiver for a family member. Paid family leave would allow these workers to care for their family members without compromising economic stability.

Hawaii's businesses would benefit from paid family leave. Paid family leave helps increase 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, businesses reported that family leave had either a positive or a neutral effect on their business. Small businesses were less likely 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 but affects the economic stability for both women and men who are caregivers.

Family leave insurance leads to increased financial stability and healthier babies. Mothers who receive paid leave after the birth of a child are 39% less likely to rely on public assistance and 40% less likely to rely on food stamps than women who do not take paid leave at all and return to work, a trend that is present in men as well. Additionally, babies whose parents are able to take leave from work are more likely to breastfeed and receive regular medical checkups and vaccinations.

We know this can work in Hawaii. Top experts in the area of family leave studied usage, cost, and feasibility of implementation of a family leave social insurance program for Hawaii. 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 career.⁵

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 Hawaii. The study found that the annual cost to cover sixteen weeks of leave for a worker making \$48,000 would be around \$58. That's only a little over one dollar per week. **These numbers reflect estimates using a social insurance model for providing paid family leave. A social insurance model spreads costs broadly and makes this benefit affordable and administratively feasible for employers.** A privatized model may be much more costly.

It's a stark reality when employees face the dire choice of needing to be able to care for newborn children, or sick children, spouses or parents, but also needing to work to sustain their family's income. Providing paid family leave to all workers is an affordable solution to enable workers to take a small number of weeks out of the workforce without having to face the impossible choice between their family member's health and their income or jobs.

For the above reasons, HCAN respectfully requests the Committee to pass this measure with our requested amendments.

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education.

⁵ 2017 Hawaii State Paid Family Leave Analysis Grant Report, available here: https://www.dol.gov/wb/media/Hawaii_Report_Final_2.pdf.

HB-2598-SD-1

Submitted on: 4/2/2018 1:59:53 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Jones	Testifying for Gyotaku Japanese Restaurants	Oppose	No

Comments:

To: Sen. Donovan M. Dela Cruz, Chair

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

Members of the Committee on Ways and Means

LATE

From: Thomas Jones

Subj: HB2598 HD2 SD1 Relating to Family Leave

March 31, 2018

We are 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. Healthcare cost are increasing at an exponential rate and we are not going to be able to manage paying those costs very soon.

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 close each month.

There are restaurants that can afford to offer paid leave programs as a means for attracting and retaining workforce in today's low employment climate and are already doing so. But not all small businesses can afford to provide such benefits. We need your help in improving the overall economic climate so that business can thrive and provide such benefits.

We ask that you please defer this bill. Thank you for this opportunity to share our views.

Mahalo,

Thomas Jones

President and Co-Owner

Gyotaku Japanese Restaurants

LATE

HB-2598-SD-1

Submitted on: 4/2/2018 3:47:22 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Kimura	Testifying for Healthy Mothers Healthy Babies	Support	Yes

Comments:

I would like to thank you for the opportunity to testify in support of HB2598 HD2 SD1. This bill would establish an implementation task force with a goal to establish a system by 2020 and we want to ensure strong support for the timely, comprehensive implementation of a program that provides an adequate amount of leave.

A thorough actuarial study conducted for Hawaii in 2017 as part of a U.S. Dept. of Labor grant calculated usage, cost, and feasibility of the implementation of a family leave insurance program in Hawaii. The data concluded that family leave insurance is both necessary and cost-effective for workers to take off adequate time to care for their families without facing financial ruin. With an optimal 16 weeks of leave, putting Hawaii at the forefront of the nation, this program would only cost around \$58 per year (\$1.11 per week) to cover a worker making \$48,000 annually.

Benefits to businesses:

Paid family leave policy is a great business investment, as it has been shown to reduce employee turnover, boost morale and increase productivity. Workers who have access to family leave benefits are more likely to return to work after their leave is over, and a study conducted for Hawaii from the Institute for Women's Policy Research determined that the availability of paid leave will not drastically increase the amount of leave taken. The availability of this benefit, however, increases the likelihood that workers who already need this leave will return to their jobs.

Benefit to Hawaii Residents:

Paid Family Leave (for all family caregivers) is a proven poverty reduction strategy, as one in five (20%) Hawaii residents have faced a medical crisis which caused financial worry and hardship and questions as to how they would pay these bills, and half (48%) currently describe their own personal financial situation as being one that survives "paycheck-to-paycheck."

One in five (20%) have been ill or have had a family member who has gotten sick and were then faced with the dilemma of how they would pay for medical care, and 25% of the residents polled have experienced the fear of not being able to pay their monthly rent or mortgage payment.

Benefits to families:

As more and more states and jurisdictions pass paid leave laws, we want to ensure that Hawaii tracks very closely behind. Our state typically stays ahead of the curve for health status and progressive policies, and Paid Family Leave is one of the single most effective strategies in positively impacting the trajectory of public health. Workers receiving paid leave benefits are also 40% less likely to rely upon other public assistance benefits, such as SNAP and TANF.

Paid parental leave can reduce infant mortality by as much as 10%, according to a 2011 study of 141 countries with paid leave policies. It also increases the likelihood of infants getting well-baby care visits and vaccinations, with one study finding that children were 25.3% and 22.2% more likely to get their measles and polio vaccines, respectively, when their mother had access to paid maternity leave. Without paid leave, there was no increase in immunizations.

Paid parental leave can also reduce incidences of postpartum depression and increase the rate and duration of breastfeeding. A 2011 study in California found that women who had paid leave breastfed twice as long as women who did not take leave. Babies who are breastfed, according to the Centers for Disease Control and Prevention, are less likely to get a variety of infections and are also at lower risk for asthma, obesity and sudden infant death syndrome. There are benefits to mothers, too, as women who breastfeed are less likely to get breast cancer, ovarian cancer, type 2 diabetes and heart disease.

We currently have all of the necessary data to establish paid family leave, and to impede or delay the implementation is a detriment to the families of Hawaii. It is also strongly suggested that the Implementation Board be comprised of individuals with subject matter experience and familiarity with the Hawaii State Paid Family Leave actuarial data.

This policy should, above all, establish a date that the program shall begin disbursing leave benefits and 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.

Progressive wage replacement for lower-income workers is a critical component to accessing a higher percentage of income in order to afford to take leave. Additionally, there should be an opt-in for the self-employed, and 100% eligibility, so ALL Hawaii workers have access to a program with the most affordable premiums, and is transferable if people change jobs or industries.

We stand in support of HB2598 HD2 SD1 and respectfully urge your Committee to pass this bill. Thank you for the opportunity to provide testimony.

Sincerely,

Lisa Kimura
Executive Director
Healthy Mothers Healthy Babies Coalition of Hawaii



**Testimony to the Senate Committee on Ways & Means
Tuesday, April 3, 2018, 2018
10:00 am
State Capitol, Room 211**

LATE

RE: H.B. 2598 HD2 – Relating to Family Leave

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

My name is Gladys Quinto-Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

We are in opposition to H.B. 2598 HD2 SD1 which would require the Department of Labor and Industrial Relations (DLIR) to establish paid family leave for all workers by January 1, 2020. This bill also 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, and establishes a Paid Family Leave Special Fund.

We appreciate and understand the intent of this bill to allow for paid leave in the workplace. Many employers already offer generous paid leave packages. Mandated sick leave may have an adverse impact upon current leave packages that exceed the minimum standard as illustrated in the bill. In addition, we do have concerns about a standard length of leave required, and the effect that could have on regular business operations.

The establishment of the Paid Family Leave Special Fund is also of concern. The oversight, implementation, and management of the fund is unclear. Perhaps a more efficient solution could be to use a fund that is already established and that employers already contribute to, such as the Temporary Disability Insurance fund.

We are opposed to H.B. 2598 HD2 SD1, and appreciate the opportunity to express our views on this matter.



**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
APRIL 3, 2018**

Re: HB 2598 HD2 SD1 Relating to Family Leave

Good morning Chair Dele Cruz and members of the Senate Committee on Ways and Means. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) is a statewide not-for-profit trade organization committed to supporting the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

The Retail Merchants of Hawaii is in **OPPOSITION** of HB 2598 HD2 SD1.

Retailers are concerned about employees' wellbeing. Many employers already offer benefits that include significant paid time off to those employees who have earned it in addition to the mandated family leave for employees to care for their family who are ill and ensure that their jobs are secure when they return to work. Furthermore, Hawaii is also one of the few state who mandates medical insurance coverage for their employees' healthcare.

Mandating a paid family leave provision would impact the cost of living in Hawaii where people are already complaining about the high prices of homes, food, utilities... Paid family leave has additional costs beyond the compensation the employer has to pay to the individual taking family leave that include but are not limited to the employer paying another employee to fill in for the absent individual as well as administrative costs to manage the program and the fact that some employees abuse these types of paid leave programs.

Businesses are very sensitive to the finite price points customers are willing to pay. Retailers are sometimes not able to absorb all of the costs associated with these types of government mandates and have to pass the cost on by raising prices of goods and services. When that happens, some employee special benefits may no longer be offered (i.e. additional employee discounts); employees may be laid off or replaced with automation like self-check-out lines or in the worst cases the businesses just close. In the last 24 months alone over 33 retailers have closed at least one if not all of their locations in Hawaii. Those are just the ones that have been reported in the news. Many shops just close quietly.

Government should do a Hawaii based independent cost analysis before implementing mandates that takes into account not only the benefits to the employees, but the true costs and impacts it has to businesses, the labor market, Hawaii's economy, the total tax dollars needed to fund the program and the additional increase in the cost of living in Hawaii.

We would like to point out that the current Family Leave Implementation Board is not a fair balance with only 3 of the 18 members from the business community. This mandate would have a large impact on ALL businesses throughout the state who would have to implement this program and feel that at least half of the board should be made up of businesses.

Retailers are already operating on a very thin margin. With the recent jump in minimum wages, goods, services and health care benefits, some businesses are struggling. Policy makers should be focusing on eliminating obstacles to business growth, job creation and economic stability and not adding additional costs that employers cannot afford.

We respectfully ask that you hold this measure. Mahalo again for this opportunity to testify.



THE SENATE

Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
State Capitol, Conference Room 211
Tuesday, April 3, 2018; 10:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2598, HD2, SD1
RELATING TO FAMILY LEAVE**

The ILWU Local 142 **supports the intent** and **offers comments** on H.B. 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; authorizes DLIR to adopt interim rules; establishes the Paid Family Leave Implementation Board to assist the 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; establishes a Paid Family Leave Special Fund; and appropriates funds.

Without a doubt, the ILWU fully supports universal paid family leave. Workers with children and elderly or disabled parents and other relatives will invariably need time off to take care of them, but often will not have the luxury of doing so because, by federal and state law, family leave is unpaid. Even if workers are eligible for family leave, many cannot afford the time off because of the loss of income. And for many other workers, job-protected family leave is not even a benefit because of the size of their employer.

For the ILWU, the issue is not whether we support paid family leave or not. We most certainly do. The issue is whether a sufficient case has been made that universal paid family leave as proposed in H.B. 2598, HD2, SD1 will work. There are far too many unanswered questions. Among them:

- **Is the timetable realistic?** The bill calls for the Implementation Board to make a report to the Legislature 20 days prior to the 2019 legislative session. That means the Board, which must be appointed then organized, has possibly six months to obtain a study from the Legislative Reference Bureau (including an actuarial analysis), digest the study, then make a report to the Legislature. Is that likely to happen?
- **What is the proposed contribution from “employers and employees as a condition of paid family leave implementation”?** Without an actuarial analysis, no one has yet to articulate, with supportable numbers, how much needs to be collected or even what the proposed benefit will be. These crucial details need to be fleshed out sooner rather than later—preferably before a bill is passed.
- **What is the cost to manage this massive proposed system?** Assuming that collections must be received from employers and employees and payments made to employees for benefits, a system of this magnitude will require qualified personnel as well as technology hardware and software. These all cost money, but no realistic estimate has yet been offered.

- **Is the Implementation Board proposed to be an autonomous body, connected to the DLIR for “administrative purposes only”?** If so, why?

While the ILWU supports universal paid family leave, we also believe that whatever program is established must be fair, cost-effective, and sustainable. We understand the desire among those advocating for paid family leave to pass a law to establish the program, then worry about the details later. But we do not believe this is the prudent way to pass social legislation. Whether we like it or not, “the devil IS in the details.” Laws should be passed that have been soundly vetted, that are workable and sustainable, that will truly benefit those who are intended to benefit from the law.

Unfortunately, we believe that consideration of both H.B. 2598, HD2, SD1 and S.B. 2990, SD2, HD1 may be premature. We do support the Legislative Reference Bureau (LRB) conducting a study, including an actuarial analysis, to present various models of paid family leave to the Legislature for consideration. However, we do not support passage of the two bills on paid family leave as they currently read now.

Finally, the Legislature should ensure that the Hawaii Temporary Disability Insurance (TDI) law is protected. Similar to the Prepaid Health Care Act, TDI was landmark legislation when first enacted and has served Hawaii’s employees and employers well over the years. But we also believe an expansion of TDI benefits, similar to Act 44 that allows accrued and available sick leave to be used for family leave purposes, may offer a means for employers to provide paid family leave.

Thank you for the opportunity to share our views and concerns on this issue.

LATE

HB-2598-SD-1

Submitted on: 4/2/2018 10:16:37 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Miyuki Hirano-Hollingworth	Testifying for Centerscale Automation Hawaii Inc.	Oppose	No

Comments:



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Testimony to the Senate Committee on Ways & Means
Tuesday, April 3, 2018, 10:00 am
State Capitol, Room 211

LATE

Testimony on Opposition to HB 2598 HD2 SD1 – Relating to Family Leave

To: The Honorable Donovan Dela Cruz, Chair
The Honorable Gil Keith-Agaran, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 57 Hawaii credit unions, representing over 800,000 credit union members across the state.

We are in opposition to HB 2598 HD2 SD1. While we appreciate and understand the intent of this bill to allow for various types of paid leave in the workplace, we are concerned about the cost, management, and oversight of such a system. Many employers already offer generous paid leave packages to employees. Having a requirement in the law such as this may have an unintended, adverse effect on employees who already receive paid leave through their employer. This bill may also be a hardship upon small businesses.

In addition, this bill would establish the paid family leave special fund. We are concerned about the cost and management of such a fund. The contribution of money into this fund by employees may have an adverse effect on the cost of running a business in Hawaii.

Thank you for the opportunity to testify.

LATE

**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

LATE

HB-2598-SD-1

Submitted on: 4/2/2018 10:03:06 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Terez Amato Lindsey	Individual	Support	No

Comments:

Aloha chair and committee members,

I humbly request that you pass this measure. Paid family leave keeps family afloat in times of emergency, particularly medical emergency. Please help Hawai'i families and pass this measure, HB2598.

Thank you,

Terez Amato Lindsey, Kihei, Maui

HB-2598-SD-1

Submitted on: 4/2/2018 1:08:24 PM

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

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Tyler Roukema	Individual	Oppose	No

Comments:

LATE

HB-2598-SD-1

Submitted on: 4/2/2018 2:05:24 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Haley	Individual	Support	No

Comments:

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

Thank you for the opportunity to share my testimony in **support of HB 2598 HD2 SD1**, relating to family leave insurance. 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.

Our families are struggling. According to recent research, 49% of our working families are living pay check to pay check. Taking unpaid time off to care for an ill parent or a new baby can be financial ruin for a family. In 2017, the state was awarded a grant to study implementing paid family leave in Hawaii. The actuarial study measured both unpaid and paid leave-taking behavior, and found that the availability of family leave insurance would not dramatically increase the portion of Hawaii's workforce taking leave each year. Qualifying life events for which leave can be taken are rare occurrences in one's life. Paid family leave allows families to keep their economic stability during these periods.

Twenty percent of our businesses employ 20 or fewer people. They are not able to provide these benefits because it is too costly. A social insurance program would allow all employers and employees to pull their resources together to protect the employees who become like family. Small business owners want to take care of their employees and this offers a cost-effective way.

We need to support all our working families in our state. Paid Family Leave keeps our workforce and economy stronger. I respectfully request you vote favorably on HB 2598 HD2 SD1. Thank you,

Sincerely,

Matthew F Haley

LATE

HB-2598-SD-1

Submitted on: 4/2/2018 3:43:12 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Carl Bergquist	Individual	Support	No

Comments:

Hawai'i can do better, a lot better, when it comes to how families are viewed by the state. The lack of affordable day care and the hard cut-off date for kindergarten await those families who decide to have children and mostly did not have any paid family leave whatsoever. The spirit of this bill addresses the latter issue, and this is appreciated. It would be strengthened by turning the family leave model into a social insurance one, and by setting a minimum of 26 weeks for paid time off.

Being originally from Sweden, I am often asked about that country's family leave and how my family's life would be different there. Before I had children that was all hypothetical, now I look at the incredible amount of time off that my brother and his partner had for their two kids as mythical. But it is true, they had 69 weeks of paid leave, or 480 days in total. To state that this was beneficial to my niece and nephew, their parents and Swedish society would be an understatement. It was an investment rooted in equality. Hawai'i can begin the move in this direction by adopting and amending this bill. Thank you.

LATE

HB-2598-SD-1

Submitted on: 4/2/2018 3:43:41 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Jeannine	Individual	Support	No

Comments:

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

Thank you for the opportunity to share my testimony in **support of HB 2598 HD2 SD1**, relating to family leave insurance. 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.

I respectfully offer the following amendments to this bill:

- Changing Section 3 to: A minimum of **16 weeks**
- Requiring the paid family program be a social insurance model

The extraordinary demands placed on our workforce puts families in jeopardy. Many of Hawaii's workers are already taking unpaid time off to care for a child or family member. This benefit helps ensure that workers who need to take leave are able to remain economically secure during their leave and that they can return to their jobs. The actuarial measured both unpaid and paid leave-taking behavior, and found that the availability of family leave insurance would not dramatically increase the portion of Hawaii's workforce taking leave each year. Qualifying life events for which leave can be taken are rare occurrences in one's life.

We need to support all our working families in our state.

Thank you for your consideration.

Sincerely,

Jeannine Souki

LATE

HB-2598-SD-1

Submitted on: 4/2/2018 3:43:12 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Carl Bergquist	Individual	Support	No

Comments:

Hawai'i can do better, a lot better, when it comes to how families are viewed by the state. The lack of affordable day care and the hard cut-off date for kindergarten await those families who decide to have children and mostly did not have any paid family leave whatsoever. The spirit of this bill addresses the latter issue, and this is appreciated. It would be strengthened by turning the family leave model into a social insurance one, and by setting a minimum of 26 weeks for paid time off.

Being originally from Sweden, I am often asked about that country's family leave and how my family's life would be different there. Before I had children that was all hypothetical, now I look at the incredible amount of time off that my brother and his partner had for their two kids as mythical. But it is true, they had 69 weeks of paid leave, or 480 days in total. To state that this was beneficial to my niece and nephew, their parents and Swedish society would be an understatement. It was an investment rooted in equality. Hawai'i can begin the move in this direction by adopting and amending this bill. Thank you.

HB-2598-SD-1

Submitted on: 4/2/2018 7:10:47 PM

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

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Stephen Ueda	Individual	Oppose	No

Comments:

Message:

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.

Ann Freed, Hua Zan