



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony COMMENTING on H.B. 4, H.D. 1, S.D. 1
RELATING TO HEALTH**

SENATOR JILL N. TOKUDA, CHAIR

SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: March 31, 2017

Room Number: 211

1 **Fiscal Implications:** None to the Department of Health. The Department of Health defers to
2 the Department of Labor and Industrial Relations for fiscal impact.

3 **Department Testimony:** This measure seeks to require employers to provide employees a
4 minimum amount of paid sick leave that can be used to care for themselves or a family member
5 who is ill or needs medical care. Approximately 36% of private industry workers in the United
6 States do not have paid sick leave. This deficiency is much greater among those employed in
7 low-wage jobs. Of particular concern for Hawaii's tourism industry and public's health, 69% of
8 accommodation and food service workers lack paid sick leave.

9 The Department agrees with the legislature's findings as outlined in this bill. Employees who
10 work sick, risk spreading illness to co-workers, customers, and those on public transportation.
11 Parents who lack paid leave are more likely to send an ill child to school, risking the health of
12 their child's classmates and teachers. Employees without paid sick leave are 1.5 times more
13 likely to work while sick, and parents without paid sick leave are twice as likely to send a sick
14 child to school or daycare. Assuring every person working in the state is provided paid sick
15 leave would contribute toward improving the health of all in our community, residents and
16 visitors alike. Thank you for this opportunity to testify

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
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March 31, 2017

To: The Honorable Jill N. Tokuda, Chair,
The Honorable Donovan M. Dela Cruz, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Friday, March 31, 2017
Time: 9:30 a.m.
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 4 HD1SD1 Relating to Health

I. OVERVIEW OF PROPOSED LEGISLATION

HB4 HD1SD1 adds paid sick leave through a new chapter to the Hawaii Revised Statutes (HRS), by requiring employers subject the Fair Labor Standards Act to provide a maximum of 40 hours of paid leave to be used for the service worker's personal illness, caring for a sick child or spouse, or due to the closure of a business by a public official.

The measure provides one (1) hour of paid sick leave per 40 hours worked, but exempts employers who already provide 40 hours of sick leave, pay employees an unspecified amount more than minimum wage, or employ less than an unspecified number of employees, or are part of a collective bargaining agreement and the parties agree to waive the applicability of the chapter.

DLIR offers comments on the proposal.

II. CURRENT LAW

In Hawaii, the law does not require paid vacation and sick leave. Under §388-7(3) The Payment of Wages and Other Compensation Law, employers that provide vacation and sick leave benefits are required to make their policies available to employees in writing or through a notice posted in a place accessible to the employees. The employer's

policy determines the criteria to earn and use these benefits.

The Hawaii Family Leave Law (chapter 398, HRS) provides four weeks of protected leave, not necessarily paid, for employees of employers with 100 or more employees, on the birth or adoption of a child or to care for a family member who is seriously ill. Unlike the federal Family and Medical Leave Act (FMLA), the Hawaii Family Leave Law does not allow an employee under §398-3 to take leave for their own serious health condition

The online FAQs for the Hawaii Family Leave Law are attached, which include sections on the interrelationship of Hawaii Family Leave Law, the FMLA, and Hawaii's Temporary Disability insurance Law.

The Hawaii Temporary Disability Insurance (TDI) Law, chapter 392, HRS, provides wage replacement benefits to an eligible employee who is unable to work due to the employee's own nonindustrial illness or injury. Some employers use sick leave as part or all of this TDI benefit. TDI is the only paid leave currently required under Hawaii law.

III. COMMENTS ON THE HOUSE BILL

DLIR notes that, as drafted, the measure has several problematic aspects and offers suggestions to address these concerns.

The measure does not specifically address how the proposed paid sick leave would affect employers that have Paid Time Off (PTO) policies.

As noted by the committee report from the Judiciary and Labor Committee (JDL), the current definition of employer in the measure is problematic. The definition of "employer" under the Fair Labor Standards Act (FLSA) is very broad including private and public employers. The definition generally includes employers with an annual gross income of at least \$500,000 or employers involved in inter-state commerce, which includes the federal and State government employees. Therefore, DLIR recommends adopting the definition of "employer" from §388-1, which was modeled after the FLSA definition of employer:

"Employer" includes any individual, partnership, association, joint-stock company, trust, corporation, the personal representative of the estate of a deceased individual or the receiver, trustee, or successor of any of the same, employing any person, but shall not include the State or any political subdivision thereof or the United States.

DLIR recommends clarifying the relationship of the proposed paid sick leave and other benefits provided under various laws. This would entail a provision that excludes benefits under the Employee Retirement Income Security Act of 1974 and other labor laws like TDI, Workers' Compensation and Family Leave laws.

Finally, the measure does not include a provision for enforcement, so DLIR recommends inserting a provision for an employee remedy through a private right of action.

DLIR has attached the latest data on employers by size of firm (Dec. 2015) for consideration regarding the employer size that is currently blanked out in the measure.

REPORTING UNITS AND EMPLOYMENT BY SIZE OF FIRM

-Excluding Government- (Based on December 2015 Employment)

		TOTAL	0-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+
STATEWIDE	- Reporting Units	37,847	21,572	6,695	4,570	3,104	1,155	509	164	58	20
	Employment	528,289	33,947	44,476	61,918	93,925	80,236	75,599	55,372	38,593	44,223
HONOLULU	- Reporting Units	25,340	14,444	4,319	3,047	2,136	850	373	109	44	18
	Employment	379,458	22,475	28,753	41,473	64,753	59,243	55,528	36,388	28,957	41,888
HAWAII	- Reporting Units	4,878	2,769	944	596	376	120	48	21	*4	
	Employment	56,254	4,565	6,173	8,042	11,156	8,443	7,139	7,256	*3,480	
MAUI	- Reporting Units	5,299	3,041	992	640	401	128	59	29	*9	
	Employment	66,130	4,762	6,672	8,557	12,148	8,685	8,518	10,173	*6,615	
KAUAI	- Reporting Units	2,330	1,318	440	287	191	57	29	5	3	
	Employment	26,447	2,145	2,878	3,846	5,868	3,865	4,414	1,555	1,876	
NATURAL RESOURCES AND MINING	- Reporting Units	474	228	93	69	63	7	11	3		
	Employment	6,876	397	591	956	1,840	517	1,494	1,081		
CONSTRUCTION	- Reporting Units	3,578	2,094	642	432	281	70	50	6	3	
	Employment	37,610	2,985	4,301	5,708	8,345	4,793	7,554	1,991	1,933	
MANUFACTURING	- Reporting Units	938	427	203	140	107	33	23	5		
	Employment	14,264	769	1,351	1,923	3,110	2,276	3,402	1,433		

REPORTING UNITS AND EMPLOYMENT BY SIZE OF FIRM

-Excluding Government- (Based on December 2015 Employment)

		TOTAL	0-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+
WHOLESALE TRADE	- Reporting Units	2,114	1,314	369	208	159	49	*15			
	Employment	18,138	2,095	2,456	2,813	4,750	3,368	*2,656			
RETAIL TRADE	- Reporting Units	4,394	1,846	1,100	710	405	206	92	31	*4	
	Employment	73,914	3,677	7,377	9,573	12,644	14,342	13,169	10,229	*2,903	
TRANSPORTATION AND UTILITIES	- Reporting Units	1,099	484	184	162	162	57	25	16	*9	
	Employment	31,533	759	1,207	2,254	4,877	3,964	3,971	4,882	*9,619	
INFORMATION	- Reporting Units	785	542	77	70	64	20	7	*5		
	Employment	9,694	534	507	990	1,999	1,460	1,083	*3,121		
FINANCE AND INSURANCE	- Reporting Units	1,663	1,033	344	176	66	24	15	*5		
	Employment	15,609	1,705	2,258	2,303	2,008	1,681	2,259	*3,395		
REAL ESTATE AND RENTAL AND LEASING	- Reporting Units	1,954	1,388	305	147	71	34	*9			
	Employment	12,031	2,335	2,000	1,970	2,035	2,249	*1,442			
PROFESSIONAL AND TECHNICAL SERVICES	- Reporting Units	4,693	3,577	552	321	168	56	16	*3		
	Employment	24,836	4,724	3,655	4,353	4,934	3,835	2,049	*1,286		
MANAGEMENT OF COMPANIES AND ENTERPRISES	- Reporting Units	467	264	56	61	49	18	14	*5		
	Employment	8,553	362	381	851	1,508	1,291	2,153	*2,007		
ADMINISTRATIVE & SUPPORT & WASTE MANAGEMENT & REMEDIATION SERVICES	- Reporting Units	2,495	1,574	341	257	156	93	44	22	5	3
	Employment	51,171	2,189	2,229	3,428	4,946	6,502	7,239	7,249	2,774	14,615
EDUCATIONAL SERVICES	- Reporting Units	701	400	97	91	64	25	15	6	*3	
	Employment	13,199	559	652	1,230	2,096	1,785	2,102	2,250	*2,525	

REPORTING UNITS AND EMPLOYMENT BY SIZE OF FIRM

-Excluding Government- (Based on December 2015 Employment)

		TOTAL	0-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	1000+
HEALTH CARE AND SOCIAL ASSISTANCE	- Reporting Units	3,859	1,980	903	500	278	101	58	24	9	6
	Employment	68,382	3,821	5,960	6,715	8,448	7,101	8,983	7,898	6,224	13,232
ARTS, ENTERTAINMENT AND RECREATION	- Reporting Units	623	324	90	76	72	36	20	*5		
	Employment	11,807	414	586	988	2,253	2,390	2,905	*2,271		
ACCOMODATIONS AND FOOD SERVICES	- Reporting Units	3,823	1,098	699	827	776	291	75	32	20	5
	Employment	104,932	1,994	4,792	11,543	23,356	20,318	10,524	12,168	13,465	6,772
OTHER SERVICES, EXCEPT PUBLIC ADMINISTRATION	- Reporting Units	3,833	2,646	639	323	163	35	22	*5		
	Employment	25,519	4,412	4,168	4,320	4,776	2,364	3,237	*2,242		
UNCLASSIFIED	- Reporting Units	354	*354								
	Employment	221	*221								

* Data from larger classes were combined to prevent the disclosure of confidential information.

NOTE: Multi-establishment employers are counted for each worksite reported, except for the construction industry, which reports separately only for major projects. Some worksites are further distributed by industrial classification.



[Home \(http://labor.hawaii.gov/wsd/\)](http://labor.hawaii.gov/wsd/) » Hawaii Family Leave

HAWAII FAMILY LEAVE

Frequently Asked Questions on the Hawaii Family Leave Law (HFLL) *Chapter 398, Hawaii Revised Statutes*

Guide to Acronyms

DLIR – Department of Labor and Industrial Relations

FMLA – Family and Medical Leave Act (Federal law)

HFLL – Hawaii Family Leave Law (State law)

TDI – Temporary Disability Insurance

SECTIONS:

1. Coverage
2. Benefits/Entitlement
3. Relationship to Federal Family and Medical Leave Act (FMLA)
4. Family Leave Questions Relating to the Temporary Disability Insurance Law (TDI)

Coverage

1. Q: How does an employer count employees in order to determine coverage under the HFLL?

A: The law applies to an employer who employs **one hundred or more** employees for each working day during each of twenty or more calendar weeks in the current or preceding calendar year.

- The employee count to determine “one hundred or more” includes all workers or employees on the payroll who work within the State of Hawaii, including:
 - (1) Employees at all locations of an employer within the State of Hawaii;
 - (2) All employees maintained on the payroll, including part-time, temporary or intermittent employees, regardless of their months of service or eligibility for the employer’s benefit plan;
 - (3) Employees on paid or unpaid leaves of absence, including family leave or disciplinary suspension.
- The count does not include:
 - (1) Employees who are laid off, whether temporarily, indefinite or long-term; or
 - (2) Employees at mainland or international locations who do not work in the State of Hawaii.
- Employers include any individual or organization, including any instrumentality of the State or its political subdivisions, any partnership, association, trust, estate, joint stock company,

insurance company, domestic or foreign corporation, receiver or trustee in a bankruptcy, or the legal representative of a deceased person.

2. Q: What employees are eligible for HFLL?

A: An employee is a person who performs services for at least six consecutive months for wages under any contract of hire, written or oral, expressed or implied, with an employer, including a full-time, part-time, temporary, casual, on-call or intermittent worker. Unlike the federal FMLA, there is no requirement in the HFLL that an employee work a minimum number of hours within the six-month period.

Consecutive employment means continuous employment with no break in service, such as by resignation, termination or layoff. Paid periods of leave or authorized unpaid leaves of absence are not considered breaks in service.

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Benefits/Entitlement

3. Q: Can an employer require an employee to designate a portion or all of the family leave period to be paid using the employee's vacation even if the employee wanted to use their sick leave?

A: It is the employee who may elect to substitute any of the employee's accrued paid leaves, including but not limited to vacation, personal, or family leave for any part of the four-week period of family leave. The employer cannot require an employee to use a specific leave for family leave purposes unless required by policy (see answers to questions 11 & 12).

4. Q: Is an employer who does not provide sick leave now required to have a sick leave policy?

A: HFLL does not require employers to create a sick leave plan if they do not currently provide sick leave to employees. Further, if an employer does not provide paid sick leave to certain employees, such as on-call or part-time workers, the employer is not required to extend paid sick leave to those employees.

5. Q: If an employer's sick leave plan provides less than 10 days of paid benefits, is the employer required to add additional sick leave days for employees to use for family leave purposes?

A: No. Only the amount of sick leave benefits that are accrued and available for employees to use for their own sickness must be allowed to be used for paid family leave.

6. Q: If an employee is eligible under the HFLL (six months of employment), but not under TDI or the employer's sick leave plan, are paid family leave benefits required?

A: If the employee has no accrued and available sick leave, and the employer provides no other paid leave, such as vacation, then the family leave would be unpaid leave.

7. Q: If an employee uses all of his/her sick leave for his/her own disability, must an employer later provide additional days for him/her to use for family leave purposes?

A: No. There is no requirement to provide more sick leave than what the employee is entitled to under the employer's sick leave plan.

8. Q: If the employee uses up all of his/her sick leave for family leave purposes, and then the employee later becomes sick, must the employer provide additional sick days for the employee's illness?

A: No, unless the employer has an "equivalent sick leave plan" under the TDI Law.

9. Q: If an employer's sick leave plan allows an employee to receive paid sick leave benefits for the employee's own illness without a doctor's certificate, can the employer require medical certification for the employee to use paid sick leave for family leave purposes?

A: Yes, the HFLL allows employers to require certification from the employee for the employee's request for family leave to care for a family member with serious health condition.

10. Q: If the employer's sick leave policy includes an unpaid waiting period before sick leave benefits are payable for an employee's illness, can the employer use the same waiting period for sick leave benefits to be payable for family leave purposes?

A: If the employer's policy or collective bargaining agreement provides for a waiting period, HFLL does not alter this arrangement.

11. Q: If an employer's sick leave policy provides that employees must exhaust any accrued vacation before using their sick leave, would this practice be allowed for an employee taking family leave?

A: If this is the employer's sick leave policy, HFLL does not alter this arrangement.
See #12 also.

12. Q: An employer's family leave policy requires that an employee first exhaust his/her vacation before using accrued and available sick leave for family leave. However, the employer's sick leave policy does not require an employee to exhaust his/her vacation or other paid leave before using sick leave for his/her own illness. Is this employer practice allowed?

A: No. HFLL specifies that an employer must permit an employee to use up to 10 days of accrued and available sick leave for family leave purposes. If the employer's policy has no similar requirement for the use of sick leave for the employee's own illness, the sick leave is considered "accrued and available", and the employer must permit the employee to use the sick leave for family leave. The HFLL also provides that, except for the ten days provided at the election of the employee, the employee may substitute other paid leaves, such as vacation, for any part of the four-week period of family leave.

13. Q: If a company has a paid time-off plan (PTO), which can be used for any purpose including sick leave, and which must be used before an extended sick leave bank becomes available, what is the employer obligated to provide to the employee?

A: If the PTO can be used for any purpose, it would fall within the definition of sick leave under HFLL, and the employer would be required to permit an employee to use up to 10 days of PTO for family leave. The employer's requirement to use PTO before an extended sick leave bank becomes available would not be a violation of the HFLL.

14. Q: If a collective bargaining agreement states that sick leave is to be used only for the employee's own illness, does HFLL supersede the agreement?

A: In general, HFLL will prevail.

15. Q: Is paid sick leave under HFLL available to an employee for the birth of the employee's child who does not have a serious health condition?

A: Yes. The new law specifies that the use of accrued and available sick leave is "for family leave purposes," which includes the birth or adoption of a child.

16. Q: If an employee does not request paid sick leave for family leave, does an employer have to notify the employee of the right to use sick leave for family leave?

A: DLIR believes that an employer who provides paid sick leave should notify its employees of their right to use up to 10 days of sick leave for family leave so that employees are aware of that option.

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Relationship to Federal Family and Medical Leave Act (FMLA)

17. Q: Can a parent take family leave to care for a child over the age of 18 with a serious health condition?

A: Yes. Employees may take family leave to care for a child of any age, not just a minor.

18. Q: Does the HFLL allow for intermittent leave?

A: Yes, HFLL [Section 398-3(b), HRS] allows family leave to be taken intermittently, including for birth or adoption.

19. Q: If a husband and wife work for the same employer, are both permitted to use accrued and available sick leave for the same family leave purpose at the same time?

A: Yes. Unlike the FMLA, the HFLL does not restrict either a husband or wife from using family leave, and does not require that they share the four-week period of family leave. HFLL further requires an employer who provides sick leave for employees to permit any qualifying employee,

including husbands and wives, to use their own accrued and available sick leave for family leave purposes.

20. Q: If an employee uses 10 days of accrued and available sick leave under the HFLL to care for a grandparent-in-law with a serious health condition, is the employee entitled to an additional 12 weeks of FMLA for the serious health condition of a spouse?

A: For interpretation of the FMLA, we recommend contacting the USDOL, Wage and Hour Division at (808) 541-1361 or at <http://www.dol.gov/dol/compliance/comp-fmla.htm> (<http://www.dol.gov/dol/compliance/comp-fmla.htm>) . Because the definition of “parent” under the Hawaii law may be broader than under the FMLA, the family leave taken for a grandparent-in-law may not offset the 12-week FMLA entitlement (similar response for grandparents, parents-in-law, and reciprocal beneficiaries who may not be eligible under FMLA).

To view a handy comparison chart on the HFLL and FMLA, see [Family Leave Comparison Chart](http://labor.hawaii.gov/wsd/files/2013/10/Family-Leave-Comparison-Chart-rev-10-29-2013.pdf) (<http://labor.hawaii.gov/wsd/files/2013/10/Family-Leave-Comparison-Chart-rev-10-29-2013.pdf>)

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Family Leave Questions Relating to the Temporary Disability Insurance Law (TDI)

21. Q: The employer currently provides TDI coverage for employees through an authorized TDI carrier. Additionally, the employer provides sick leave benefits to these employees. Are the sick leave benefits subject to HFLL?

A: Yes, the employer must permit an employee to use the employee’s accrued and available sick leave benefits for the purposes of the Hawaii Family Leave Law, not to exceed 10 days, if the sick leave amount is above the TDI requirement.

22. Q: The employer has an approved self-insured TDI plan that provides increasing benefits based on years of service. Benefits range from three weeks to a maximum of 26 weeks of benefits, based on the number of years that the employee worked. Can the employee use these benefits under HFLL?

A: No . Employers who are self-insured must pay TDI benefits to a disabled employee in accordance with the actual plan that was filed and approved by DLIR. HFLL does not provide that an employer diminish an employee’s accrued and available sick leave below the amount required under its TDI plan.

23. Q: The employer has an approved self-insured TDI plan that provides benefits at 100% for three weeks (15 days) with no waiting period per benefit year. For each year of service this employer gives their employees 15 days of sick leave. However, only 5 days can be carried over to the next year to a maximum accumulation of 35 days. Can the employees use these sick leave benefits under HFLL?

A: Yes, any accrued and available sick leave benefits in excess of the 15 days that are provided in the employer’s approved TDI self-insured plan can be used for family leave purposes, not to

exceed 10 days unless the employer's plan provides for greater benefits.

24. Q: The employer's TDI plan provides for a combined sick leave and statutory TDI policy that provides benefits through an authorized TDI carrier upon exhaustion of the employee's sick leave benefits. The employer has filed this TDI plan with the DLIR and received approval of this partially self-insured plan. Can the employee utilize his/her sick leave benefits for his/her family members?

A: No, the employer filed and received approval for the employer's combined self-insured and insured statutory TDI policy. Thus, the benefits provided are used to comply with the TDI law and are not available for family leave purposes.

25. Q: An employer only has an approved self-insured plan that provides statutory TDI benefits. Can an employee apply for family leave utilizing the statutory TDI benefits?

A: No, benefits under a statutory TDI plan can only be used for the employee's own illness.

26. Q: The employer and union have entered into a collectively bargained agreement whereby an employee must exhaust sick leave benefits before statutory TDI benefits commences with an authorized TDI carrier. However, no union agreement was filed with DLIR. Only a statutory TDI policy is filed with DLIR covering all employees. Can the union employee file under HFLL?

A: In general, the employee should be able to use his/her accrued and available sick leave because DLIR files reflect that employer is covered under a statutory TDI policy.

27. Q: The employer and union have entered into a collectively bargained agreement whereby the agreement states that an employee is entitled to statutory TDI benefits upon exhaustion of sick leave benefits. The agreement does not specify the number of sick leave days to which an employee is entitled. Agreements were filed and approved by DLIR. Can the union employee use his/her sick leave benefits for family leave under HFLL?

A: In general, the employee can utilize accrued and available sick leave benefits for family leave purposes since this employee is entitled to statutory TDI benefits.

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The foregoing information is provided for reference purposes only, by the Hawaii Department of Labor and Industrial Relations, Wage Standards Division. A determination on the applicability of the statute to a particular situation will be based on the actual facts of the case.

DAVID Y. IGE
GOVERNOR



JAMES K. NISHIMOTO
DIRECTOR

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DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

MARCH 30, 2017

TESTIMONY TO THE
SENATE COMMITTEE ON WAYS AND MEANS
For Hearing on FRIDAY, MARCH 31, 2017
9:30 a.m., Conference Room 211

By

JAMES K. NISHIMOTO
DIRECTOR

House Bill No. 4, HD1 SD1
Relating to Health

CHAIRPERSON TOKUDA, VICE-CHAIR DELA CRUZ AND MEMBERS OF THE
SENATE COMMITTEE ON WAYS AND MEANS:

Thank you for the opportunity to provide testimony on H.B. No. 4 HD1 SD1.

H.B. No. 4 HD1 SD1 requires employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

The Department of Human Resources Development respectfully **OPPOSES** H.B. 4 HD1 SD1 to the extent that it applies to public sector employees.

Most public sector employees are already afforded generous vacation and sick leave benefits which can be utilized for the purposes of caring for themselves or a family member who is ill or needs medical care. It is therefore unnecessary to include public employees within the scope of this bill.

H.B. 4 HD1 SD1 also appears to be in conflict with existing law. Act 253, SLH

2000, removed routine human resource policy and management matters from civil service laws and included the enactment of HRS Section 78-23. That section specifically provides that employees “shall be eligible for vacation leave, sick leave, and other leaves of absence, with or without pay, as negotiated under chapter 89 or adjusted under chapter 89C, as applicable.” H.B. 4 HD1 SD1 accordingly attempts to legislate in an area that is required by statute to be a mandatory subject of negotiation.

Given the foregoing, we recommend that H.B. 4 HD1 SD1 be held or amended to expressly exclude public employees from its coverage.

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN



Chair
LESLIE WILKINS

COMMISSIONERS:

SHERRY CAMPAGNA
CYD HOFFELD
JUDY KERN
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March 30, 2017

Testimony in Opposition, HB 4, HD1, SD1, Relating to Labor

To: Senator Jill Tokuda, Chair
Senator Donovan Dela Cruz, Vice Chair
Members of the Senate Committee on Ways and Means

From: Cathy Betts, Executive Director,
Hawaii State Commission on the Status of Women

Re: Testimony in Opposition, HB 4, HD1, SD1, Relating to Health

Thank you for this opportunity to provide testimony on HB 4, HD1, SD1. While the Commission supported the original HB4, the language found in HD1, SD1 causes some serious concern.

First, section 3(b) which would allow for paid sick leave to be “provided based on a manner deemed suitable by the employer” is too broad, ill defined, and will be difficult to enforce. Inevitably, this will cause confusion. Employers with ill intentions could potentially use this broad language to cause unnecessary burden or delay to employees wishing to use their earned sick leave under the law. Without knowing the parameters for what is legal and not legal, it will be difficult for employers, employees, and the state to determine whether employers are truly abiding the law.

Second, section 6 (a)(2), which creates an exemption for an employer who pays a certain amount above the minimum wage, while novel in concept, does not further the underlying cause of a sick leave policy in the first place. Employee health, community health, and public health are important to all of Hawaii’s residents. An employee getting paid a little over the minimum wage will still have the same basic needs for paid sick leave alike any other employee in the state. Many women in Hawaii work multiple low wage jobs in order to survive. Wage earning capacity and sick leave should not be conflated.

Finally, section 6(a)(3), creating an eligibility threshold sets a dangerous precedent. All employees in the state have an earnest need for paid sick leave, not just those working at a business with a certain number of employees. Passing symbolic legislation does nothing for those employees with the most need.

Having a paid sick leave policy increases worker loyalty, decreases turnover and ensures a healthy workforce. Ensuring a minimum amount of paid sick leave for all employees is a sound public policy that benefits the community and the workplace.

Thank you for allowing the Commission to provide testimony in opposition regarding HB 4, HD1, SD1.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 29, 2017 11:06 AM
To: WAM Testimony
Cc: allan@crhmaui.com
Subject: *Submitted testimony for HB4 on Mar 31, 2017 09:30AM*

HB4

Submitted on: 3/29/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Allan Raikes	Condominium Rentals Hawaii	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
FRIDAY, MARCH 31, 2017 AT 9:30 A.M.**

To The Honorable Jill N. Tokuda, Chair;
The Honorable Donovan M. Dela Cruz, Vice Chair; and
Members of the Committee on Ways and Means

**TESTIMONY IN OPPOSITION TO HB 4 TO REQUIRE
EMPLOYERS TO PROVIDE PAID SICK LEAVE**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce representing approximately 600 businesses and 16,000 employees on Maui. I am writing share our opposition to HB 4.

As a representative of businesses on Maui, we believe imposing a law requiring employers to provide paid sick leave to employees would be an extreme burden upon our local businesses. Many businesses cannot afford to have an employee away from work for 40 hours without significant notice. Also many local businesses do not have the resources to keep up with the amount of paid sick leave an employee has accrued or used . Unlike the state, businesses are not allowed to carry unfunded benefits programs and continue to operate as though they are solvent. Heaping mandates such as this on businesses when they cannot afford it could bankrupt them. For businesses to provide that much paid sick leave to essentially all of their employees is extremely costly, unpredictable, and requires additional services or work for the upkeep. We cannot place this burden on our local businesses.

We appreciate the opportunity to testify on this matter and therefore ask that this bill be deferred.

Mahalo for your consideration of our testimony and we hope you will support a deferral.

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.



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

March 31, 2017

H.B. 4, H.D. 1, S.D. 1 – RELATING TO HEALTH

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of H.B. 4, H.D. 1, S.D. 1 which requires employers to provide a minimum amount of paid sick leave to employees.

We represent more than 27,000 public-sector employees who enjoy the benefit of paid sick leave for healthcare. No employee should be forced to choose between their well-being and their job. Taking time off to care for one's illness not only protects the employee, but also protects their families, colleagues, and customers by reducing the chances of spreading illness. Providing employees with a few days of paid sick leave is an investment that not only supports the employee, but our community as a whole.

Thank you for the opportunity to testify in support of H.B. 4, H.D. 1, S.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcawhawaii.org
Website: www.gcawhawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 31, 2017

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **OPPOSITION TO H.B. 4, HD1, SD1, RELATING TO HEALTH.** Requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care. Takes effect 1/7/2059. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:30 a.m.
PLACE: Capitol Room 211

Dear Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over five hundred general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The 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. 4, HD1, SD1 proposes to create a new section in state law that would require all employers provide a mandatory minimum amount of **paid** sick leave for employees to care for themselves or a family member. H.B. 4 HD1, SD1 proposes that all employees who work in the State for more than eighty hours in a year shall have the right to paid sick leave and shall accrue a minimum of one hour of paid sick leave for every forty hours worked, further the measure states that employees shall not accrue more than forty hours of paid sick leave in a calendar year, unless the employer provides a higher limit. While GCA understands the intent of this measure, it proposes a mandate that could potentially impact the ability for a small business to operate and even hire employees.

This bill is not necessary particularly for 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 sick leave benefits over and above the statutory requirement as an additional benefit. The proposed language in H.B. 4, HD1, SD1 would create an entire new system of mandating employers to provide sick leave benefits which could have a negative impact on businesses statewide and force some to let go of employees because of the inability to provide such a benefit.

For these reasons we oppose this bill and request for its deferral. Thank you for the opportunity to present our views on this matter.



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
March 31, 2017

H.B. 4, H.D. 1, S.D.1 - RELATING TO
HEALTH

The Hawaii State AFL-CIO strongly supports H.B. 4, H.D. 1, S.D.1 which requires employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

Many union members working in Hawaii are fortunate to have access to paid sick days. Even a number of employers that do not have a collective bargaining agreement offer generous paid sick days to their employees and we commend them for providing such benefits. Regrettably, not all workers are provided access to paid sick days. In fact, according to the National Partnership for Women and Families, over 170,000 Hawaii workers or nearly 43 percent of the state's private-sector workforce are not able to take paid sick days when they are ill or when their children are ill. As a result, countless employees attend work sick as many of the 170,000 workers are low-wage service sector workers living paycheck to paycheck. This however can be changed for the better.

Supporting H.B. 4, H.D. 1, S.D.1 will provide workers who need it the most with a few paid sick days a year. Children who are sick will finally be able to stay at home and recover and sick employees will finally have the opportunity to regain their health allowing them to return to work at full productivity. And most importantly, the spread of illness will be greatly reduced among co-workers, school children and the general public. Hawaii will become a healthier state, a more productive state and of course a state that recognizes the impact of how contagious the flu or other diseases can be to Hawaii residents. A small number of paid sick days a year can go a long way to improving the quality of life for many.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
President

Board of Directors

Tom Jones
Gyotaku / AGU a Ramen Bistro
Pat Kashani
Tropics Tap House
Ben Dowling
Ocean House
Hide Sakurai
Shokudo, Būho, Bread + Butter
Eric Waddell
Fleetwood's on Front Street
Mark Noguchi
Pili Group
Gary Manago
Hilton Waikiki Beach Hotel
Michelle Brumblay
Kahala Hotel and Resort
Eki Locke
Bill's Sydney
Jetsun Dutcher
Kona Brewing Company
Patrick Fass
Turtle Bay Resort
Hideo Simon
Square Barrels
Yuka Raso
Nobu Restaurants
Nick Roschi
Luana Hospitality
Dr. Thomas E. Metzger
CiCi's Pizza
Dianne Vicheinrut
Outrigger Hotels
Jed Roa
Lola's Grill & Pupu Bar
Paul Yokota
FCH Enterprise / Zippys
Conrad Nonaka
Culinary Inst. of the Pacific
Jim Cremins
Y. Hata
James Baloaloa
SWS- Red Bull
Naomi Azama
HMAA
Len Delekta
Image Apparel Hawaii
Thomas Frigge
TOBE Co. Food Safety
Biff Graper
Colliers International
Doug Harris
Harris Agency
Anne Lee
HONOLULU Magazine
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Dirk Koeppenkastrop, Treasurer - IL Gelato
Tyler Roukema, Incoming Chair - Outback Steakhouse
Michael Skedelski, Secretary - Eggs N Things
Eron Read, Past Chair

Gregg Fraser, Executive Director **Sunny Obrey, Executive Assistant** **Holly Kessler, Director of Membership Relations**

To: Sen. Jill N. Tokuda, Chair
 Sen. Donovan M. Dela Cruz, Vice Chair
 Members of the Committee on Ways and Means

From: Victor Lim, Hawaii Restaurant Association

Subj: HB 4 HD1, SD1 Paid Sick Leave

Date: March 29, 2017

The Hawaii Restaurant Association representing about 3,500 restaurants of all sizes here in Hawaii stand opposed to HB4 HD1 SD1 that will require Paid Sick Leave for businesses.

Our industry has faced tremendous cost increases these past few years from the mandated wage increases coming from the minimum wage schedule along with the huge increases from our prepaid medical insurance that we provide our employees where most of the costs are shouldered by the employer. We are juggling between absorbing these costs and passing some to the consumer and dealing with menu price resistance.

Many of our members are very concerned about survival in an industry with an exceptionally high failure rate.

For all of the above reasons, we urge you not to pass this bill out of your committee. Thank you for allowing us this opportunity to share our concerns.

Aloha.



To: Senator Tokuda, Chair
Senator Dela Cruz, Vice Chair
Members of the Senate Committee on Ways and Means

From: Chris Almeroth, General Manager

Hearing: March 31, 2017

RE: **HB 4 SD1 – In Opposition**
Relating to Mandatory Paid Sick Leave

We are opposed to the proposed additional mandate of paid sick leave.

1. The Hawaii Department of Labor has concerns about this bill and its overlap with existing legislation, and so do we. The state already requires us to pay sick leave, it is called Temporary Disability Insurance (TDI) and eligible employees can receive payment for up to 26 weeks a year.

In addition, we have Hawaii Family Leave to care for family members and Victims Protection Leave for victims of domestic and sexual violence. If you want to expand the benefits of paid sick leave, modify the existing TDI legislation.
2. The additional administrative burden on us as an employer would be enormous. We are already tracking employee hours weekly for the Prepaid Health Care Act and for Temporary Disability Insurance. This additional accrual system is unlike the other tracking currently being done.
3. Employers should be given the opportunity to provide benefits as they choose to remain attractive to their employees. The flexible hours and lifestyle we provide allow employees many scheduling opportunities that other industries do not. Work with Hawaii employers to strengthen the economy and improve opportunities. Please do not add additional challenges.

For these reasons, we are in opposition to HB 4.
Thank you for your time. Mahalo!



To: Senator Tokuda, Chair
Senator Dela Cruz, Vice Chair
Members of the Senate Committee on Ways and Means

From: Derek Kessler, General Manager

Hearing: March 31, 2017

RE: **HB 4 SD1 – In Opposition**
Relating to Mandatory Paid Sick Leave

We are opposed to the proposed additional mandate of paid sick leave.

1. The Hawaii Department of Labor has concerns about this bill and its overlap with existing legislation, and so do we. The state already requires us to pay sick leave, it is called Temporary Disability Insurance (TDI) and eligible employees can receive payment for up to 26 weeks a year.

In addition, we have Hawaii Family Leave to care for family members and Victims Protection Leave for victims of domestic and sexual violence. If you want to expand the benefits of paid sick leave, modify the existing TDI legislation.
2. The additional administrative burden on us as an employer would be enormous. We are already tracking employee hours weekly for the Prepaid Health Care Act and for Temporary Disability Insurance. This additional accrual system is unlike the other tracking currently being done.
3. Employers should be given the opportunity to provide benefits as they choose to remain attractive to their employees. The flexible hours and lifestyle we provide allow employees many scheduling opportunities that other industries do not. Work with Hawaii employers to strengthen the economy and improve opportunities. Please do not add additional challenges.

For these reasons, we are in opposition to HB 4.

Thank you for your time. Mahalo!

Via E-mail: WAMTestimony@capitol.hawaii.gov
Facsimile: (808) 586-7348

March 30, 2017

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ,
VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **OPPOSITION TO H.B. 4, HD1, SD1, RELATING TO HEALTH.** Requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care. Takes effect 1/7/2059. (SD1)

HEARING
DATE: March 31, 2017
TIME: 9:30 A.M.
PLACE: Capitol Room 211

Dear Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

Ralph S Inouye Co, Ltd (RSI), a Hawaii general contractor and member of the General Contractors Association of Hawaii, **opposes** H.B. 4, HD1, SD1, which proposes to create a new section in state law that would require all employers to provide a mandatory minimum amount of **paid** sick leave for employees to care for themselves or a family member due to a number of reasons. H.B. 4 HD1, SD1 proposes that all employees who work in the State for more than eighty hours in a year shall have the right to paid sick leave and shall accrue a minimum of one hour of paid sick leave for every forty hours worked, further the measure states that employees shall not accrue more than forty hours of paid sick leave in a calendar year, unless the employer provides a higher limit. While we understand the intent of this measure, it proposes a mandate that could potentially impact the ability for a small business to operate and hire employees while also taking away the flexibility of any employer from using other methods of time off for employees.

In the construction industry most employers provide their employees with a competitive wage and benefits package including vacation, medical, health and welfare and other incentives for retention purposes, however as written the bill would apply to all employees, even part-time workers. Further while the bill recognizes a possible waiver if a collective bargaining agreement (CBA) exists, the law would still apply to part-time workers that work over eighty hours in a year who may not be subject to a CBA. There are other ways in which an employee may be covered for days off due to illness, for example, temporary disability insurance is available absences due to illness. Further many employers provide sick leave benefits over and above the statutory requirement as an additional benefit. The proposed language in H.B. 4, HD1, SD1 would create an entire new system of mandating employers to provide sick leave benefits which could have a negative impact on businesses statewide and force some to let go of employees because of the inability to provide such a benefit.

For these reasons we oppose this bill and request for its deferral.



To: Senator Tokuda, Chair
Senator Dela Cruz, Vice Chair
Members of the Senate Committee on Ways and Means

From: Noah Yamada, General Manager

Hearing: March 31, 2017

RE: **HB 4 SD1 – In Opposition**
Relating to Mandatory Paid Sick Leave

We are opposed to the proposed additional mandate of paid sick leave.

1. The Hawaii Department of Labor has concerns about this bill and its overlap with existing legislation, and so do we. The state already requires us to pay sick leave, it is called Temporary Disability Insurance (TDI) and eligible employees can receive payment for up to 26 weeks a year.

In addition, we have Hawaii Family Leave to care for family members and Victims Protection Leave for victims of domestic and sexual violence. If you want to expand the benefits of paid sick leave, modify the existing TDI legislation.
2. The additional administrative burden on us as an employer would be enormous. We are already tracking employee hours weekly for the Prepaid Health Care Act and for Temporary Disability Insurance. This additional accrual system is unlike the other tracking currently being done.
3. Employers should be given the opportunity to provide benefits as they choose to remain attractive to their employees. The flexible hours and lifestyle we provide allow employees many scheduling opportunities that other industries do not. Work with Hawaii employers to strengthen the economy and improve opportunities. Please do not add additional challenges.

For these reasons, we are in opposition to HB 4.

Thank you for your time. Mahalo!



KELI'I GOUVEIA | General Manager

808.923.4852

hulagrillwaikiki.com

2335 Kalakaua Ave., Suite 203

Honolulu, HI 96815

To: Senator Tokuda, Chair
Senator Dela Cruz, Vice Chair
Members of the Senate Committee on Ways and Means

From: Keli'i Gouveia

Hearing: March 31, 2017

RE: **HB 4 SD1 – In Opposition**
Relating to Mandatory Paid Sick Leave

We are opposed to the proposed additional mandate of paid sick leave.

It's not an exaggeration that Hawaii Employers have additional burdens placed on them. Just a few examples.

- Hawaii is one of **only five states** that provide Temporary Disability Insurance.
- The Hawaii Pre-Paid Health Care Act is by far more costly for employers than the Affordable Care Act ever will be. Hawaii employees contribute **1.5%** of their wages towards health insurance compared to ACA employees contribute **9.5%** of their wages. Employers pay the rest.
- Hawaii employees qualify for Health Care after only **4 weeks at 20 hours** a week. ACA employees qualify after **90 days at 30 hours** a week. This means a much larger group of Hawaii residents are covered by their employers than other states.

Work with Hawaii employers to strengthen the economy and improve opportunities. Please do not add additional challenges.

For these reasons, we are in opposition to HB 4.

Thank you for your time. Mahalo!

March 31, 2017 at 9:30am

Conference Room 211

SENATE COMMITTEE ON WAYS AND MEANS

To: Senator Jill N. Tokuda, Chair
Vice-Chair, Senator Donovan M. Dela Cruz, Vice Chair

From: Gail Lerch
Executive Vice President
Human Resources & Organization Effectiveness

Re: HB4 HD1 SD1 – Relating to Health

My name is Gail Lerch, Executive Vice President, Human Resources and Organization Effectiveness at 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 4 HD1 SD1 which will require certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

We appreciate the intent of this bill to address the public health risk of the spread of communicable diseases by ensuring that workers have access to paid sick leave. However, we have concerns on how this bill would apply to organizations like HPH who provide our employees the benefit of sick leave time recovery through a Paid Time Off (PTO) system – which is inclusive of vacation, holiday, and use for sick leave. While HB 4 contains language exempting employers that provide comparable sick-leave benefits, our concern is that the current language is ambiguous as to how the requirements of this bill would impact our existing benefit structure and its ambiguity in identifying which category of employees within HPH the requirements of this bill would apply.

We would also suggest that a more effective and efficient way employers can contribute to reduce contagion via workers in jobs with high levels of public contact – is to encourage employee access to vaccinations. Every year, we offer each of our 6,800+

employees access to the influenza vaccinations— free of charge – to reduce the risk of being exposed and spreading this most common communicable virus.

Hawaii Pacific Health continuously strives to bend the cost curve in the delivery of healthcare services. However, requirements as stated in HB4 HD1 SD1 could potentially result in additional cost and administrative burden onto the healthcare delivery system while diverting resources away from more efficient interventions – such as vaccination – that would truly improve public health outcomes and reduce the risk of public contagion.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 30, 2017 9:21 AM
To: WAM Testimony
Cc: tutulorna@gmail.com
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/30/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Lorna Larsen-Jeyte	Kilauea Lodge and restaurant	Oppose	No

Comments: This bill will hurt Mom and Pop restaurants everywhere in Hawai'i. Restaurant workers have flexibility to cover each other's shifts when they are ill or otherwise indisposed, taking care of a sick family member etc. It's not a good idea for Government to step in and start messing with a system that works right now for restaurants. We have TDI and other coverages to help assist with finances for more long term illnesses or leaves. I am an active Democrat and do not support this Bill. Large chains have special treatment when it comes to health insurance expenses and other work related laws. Please do not add one more burden to Mom Pop restaurants or we will have to resort to hiring mostly part timers and independent contractors. As it is, for our small restaurant, we pay over \$120,000 a year for our employees' medical insurance. Please don't add another expense.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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To: Senator Tokuda, Chair
Senator Dela Cruz, Vice Chair
Members of the Senate Committee on Ways and Means

From: Jaime Arreola, General Manager

Hearing: March 31, 2017

RE: **HB 4 SD1 – In Opposition**
Relating to Mandatory Paid Sick Leave

We are opposed to the proposed additional mandate of paid sick leave.

1. The Hawaii Department of Labor has concerns about this bill and its overlap with existing legislation, and so do we. The state already requires us to pay sick leave, it is called Temporary Disability Insurance (TDI) and eligible employees can receive payment for up to 26 weeks a year. In addition, we have Hawaii Family Leave to care for family members and Victims Protection Leave for victims of domestic and sexual violence. If you want to expand the benefits of paid sick leave, modify the existing TDI legislation.
2. The additional administrative burden on us as an employer would be enormous. We are already tracking employee hours weekly for the Prepaid Health Care Act and for Temporary Disability Insurance. This additional accrual system is unlike the other tracking currently being done.
3. Employers should be given the opportunity to provide benefits as they choose to remain attractive to their employees. The flexible hours and lifestyle we provide allow employees many scheduling opportunities that other industries do not. Work with Hawaii employers to strengthen the economy and improve opportunities. Please do not add additional challenges.

For these reasons, we are in opposition to HB 4.

Thank you for your time. Mahalo!

Jaime Arreola
General Manager
Duke's Canoe Club Kauai
3610 Rice Street
Lihue, HI 96766
Phone: (808)246-9599 ext. 12
Email: Jaime@dukeskauai.com

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 30, 2017 8:43 AM
To: WAM Testimony
Cc: Dirk@ILGelato-Hawaii.com
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/30/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Dirk Koeppenkastrop	IL Gelato Hawaii	Oppose	Yes

Comments: 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 are no higher-level jobs as a chemist my wife and I started a small business here in Honolulu six years ago. We make all natural high quality gelato (ice cream) here in Hawaii and sell wholesale to restaurants and operate two retail locations. We have approximately 45 employees and most of them part time. We have plans to grow and to expand our business so that we soon will have over 50 employees. The proposed Bill HB4 will highly impact our payroll cost as we employ many part time workers. The proposed bill in addition to continued increasing minimum wages are a burden. In our gelato factory and stores we offer entry-level jobs to students and jobs to unskilled workers. If wages and associated payroll cost -introduced through mandatory paid sick leave - will increase significantly, we will have a problem to stay in business. We cannot pass additional cost to our customers. 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 food costs in Hawaii are the highest of the nation. Our rents are the highest of the nation. Energy and insurance cost are higher than anywhere else. It is very very difficult to operate a business in Hawaii. With the proposed bill and ongoing increasing minimum wage our gelato cost would go to up to \$4.50. Would you buy a scoop of gelato for \$4.50? We cannot increase our scoop prices, as we would loose our local customers. If payroll costs continues to increase so substantially we need to close our business, which would challenge our existence and we could no longer offer employment to many entry level or unskilled worker. We strongly oppose to proceed with proposed bill HB4. Sincerely, Dirk Koeppenkastrop, Ph.D.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

SanHi Government Strategies

Gary M. Slovin
Mihoko E. Ito
R. Brian Tsujimura

a limited liability law partnership
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(808) 539-0400
governmentaffairs@awlaw.com

gslovin@awlaw.com
mito@awlaw.com
rtsujimura@awlaw.com

DATE: March 30, 2017

TO: Senator Jill Tokuda
Chair, Committee on Ways and Means
Submitted Via Capitol Website

RE: **H.B. 4, H.D.1, S.D.1 – Relating to Health**
Hearing Date: Friday, March 31, 2017 at 9:30 a.m.
Conference Room: 211

Dear Chair Tokuda and Members of the Committee on Ways and Means:

We submit this testimony on behalf of PVT Land Company, who operates the construction and demolition landfill in Nanakuli on Oahu.

PVT is **opposed** to H.B.4, HD1, SD1 which would require all employers to provide a mandatory minimum amount of paid sick leave for employees to care for themselves or a family member.

As a small business, we already make significant efforts to take care of our employees and ensure that they have sufficient benefits and incentives packages, including sick leave. This bill creates a new employer mandate to provide sick leave benefits. It will have significant impact on small businesses like ours which already struggle to manage the high costs of doing business in Hawaii. Employers are already required to comply with existing mandates including Temporary Disability Insurance and health insurance. Currently, employers have the flexibility to provide sick leave to their employees – we believe this flexibility allows us to provide an adequate sick leave policy without being mandated to do so.

For the above reasons, we oppose this measure and ask that it be held. Thank you for the opportunity to submit this testimony.

Gary M. Slovin
Mihoko E. Ito
R. Brian Tsujimura
C. Mike Kido
Tiffany N. Yajima
Matthew W. Tsujimura



ORRIN CROSS | General Manager

808.667.6636

hulagrillkaanapali.com

2435 Kaanapali Parkway
Bldg. P1, Lahaina, HI 96761

To: Senator Tokuda, Chair
Senator Dela Cruz, Vice Chair
Members of the Senate Committee on Ways and Means

From: Orrin Cross

Hearing: March 31, 2017

RE: **HB 4 SD1 – In Opposition**
Relating to Mandatory Paid Sick Leave

We are opposed to the proposed additional mandate of paid sick leave.

Employers should be given the opportunity to provide benefits as they choose to remain attractive to their employees. The flexible hours and lifestyle we provide allow employees many scheduling opportunities that other industries do not. In addition, we give many benefits that traditional 9-5 employers do not.

Work with Hawaii employers to strengthen the economy and improve opportunities. Please do not add additional challenges.

For these reasons, we are in opposition to HB 4.

Thank you for your time. Mahalo!



03/30/17

To: COMMITTEE ON WAYS AND MEANS
Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
Members of the Committee On Ways And Means

Subject: Testimony In Opposition to HB 4, HD1

While Gyotaku is committed to providing a living wage and time off for our employee's health and family related issues, we strongly opposed mandatory sick leave pay for all employees of all business.

- The restaurant industry is dealing with the ever increasing labor cost from the scheduled increases in the minimum wage with a small tip credit.
- Hawaii employers are required to provide the highest level of Health Care Benefits in the nation to all employees working 19 or more hours per week.
- The cost to restaurant businesses would be a significant financial and administrative burden.
- The food service industry is a very low margin business and business failures due to low profitability are common place.

With all due respect, we recommend that this bill not be passed.

Sincerely,

Thomas H Jones

President & CO-Owner

REI Food Service, LLC d.b.a. Gyotaku Japanese Restaurants

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcawhawaii.org
Website: www.gcawhawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 31, 2017

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **OPPOSITION TO H.B. 4, HD1, SD1, RELATING TO HEALTH.** Requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care. Takes effect 1/7/2059. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:30 a.m.
PLACE: Capitol Room 211

Dear Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over five hundred general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The 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. 4, HD1, SD1 proposes to create a new section in state law that would require all employers provide a mandatory minimum amount of **paid** sick leave for employees to care for themselves or a family member. H.B. 4 HD1, SD1 proposes that all employees who work in the State for more than eighty hours in a year shall have the right to paid sick leave and shall accrue a minimum of one hour of paid sick leave for every forty hours worked, further the measure states that employees shall not accrue more than forty hours of paid sick leave in a calendar year, unless the employer provides a higher limit. While GCA understands the intent of this measure, it proposes a mandate that could potentially impact the ability for a small business to operate and even hire employees.

This bill is not necessary particularly for 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 sick leave benefits over and above the statutory requirement as an additional benefit. The proposed language in H.B. 4, HD1, SD1 would create an entire new system of mandating employers to provide sick leave benefits which could have a negative impact on businesses statewide and force some to let go of employees because of the inability to provide such a benefit.

For these reasons we oppose this bill and request for its deferral. Thank you for the opportunity to present our views on this matter.



To: Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
Members of COMMITTEE ON WAYS AND MEANS

From: Michael Miller, Tiki's Grill & Bar
Subj: Tiki's HB 4, HD1 Requiring Certain Employers to Provide Sick Leave
Date: March 30, 2017

Thank you for the opportunity to provide testimony. We, at Tiki's Grill & Bar, hereby oppose HB 4, HD1.

We are a locally owned and operated restaurant in our 15th year of business. Our owners and myself are all graduates of the University of Hawai'i at Manoa and are very active in our community.

With Hawaii's low unemployment rate, employees have the opportunity to work at other establishments around town. We do offer paid time off as a competitive edge, as opposed to some other employers that may not be able to afford this. Our employees enjoy discounts, company events and company-sponsored activities outside of work. These are benefits we choose to pay in order to keep our good employees and remain competitive. Competitive benefits ensure that our employees are proud to continue to provide excellent service at a popular destination location in Waikiki for both locals and visitors.

We understand that employees will require occasional leave from work due to a legitimate sickness or other reasons, and we generally accommodate and work with them. If we do not, they may leave us to find another job.

We urge you to reconsider the notion of revenue per employee vs. size of company as a measure to impose certain rules. Different companies and industries have different cost structures.

Restaurants are not known for their high profit margins and longevity in the industry, so while employee size is one measure success, it is a much less significant measure than other variables in regards to profitability and the ability to sustain increased costs. We have already absorbed a minimum wage increase as well as are continually competing on price with other "industries " that also feed people, like grocery stores, food trucks, food courts.

We urge you not pass this bill out of committee, and say "Mahalo" for considering our point of view while making laws and rules that affect the state.

Mahalo,
Michael Miller / Director of Operations
michaelm@tikisgrill.com



TIM VANDEVEER
Chair

MARGARET WILLE
SEAN SMITH
Legislation Committee Co-Chairs

March 31, 2017

Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
Senate Committee on Ways and Means
March 31, 2017 9:30 a.m. State Capitol Conference Room 211

HB 4, HD1 SD1 Relating to Health

Submitted On Behalf of the Democratic Party of Hawai'i

The Democratic Party of Hawai'i supports HB 4, HD1 SD 1 Relating to Health. This bill establishes the right of Hawaii workers to accrue paid sick leave up to 40 hours a year.

Establishing the right of workers in Hawaii to accrue paid sick leave is one of the Democratic Party of Hawai'i's legislative priorities for the 2017 legislative session. We request that you pass this bill out of committee.

Mahalo for the opportunity to testify on this bill.

Respectfully submitted,

Tim Vandever
Chair of the Democratic Party of Hawai'i

/s/ Margaret Wille
/s/ Sean Smith
Legislative Committee Co-chairs



Executive Officers:

John Erickson, Young's Market Company –Chair
Beau Oshiro, C&S Wholesale – Vice Chair
Toby Taniguchi, KTA Superstores – Secretary/Treasurer
John Schilf, Rainbow Sales and Marketing - Advisor
Stan Brown, Acosta – Advisor
Paul Kosasa, ABC Stores – Advisor
Barry Taniguchi, KTA Superstores – Advisor
Derek Kurisu, KTA Superstores – Immediate Past Chair
Lauren Zirbel, Executive Director

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

TO: COMMITTEE ON WAYS & MEANS

Senator Jill N. Tokuda, Chair

Senator Donovan M. Dela Cruz, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: Friday, March 31, 2017

TIME: 9:30 a.m.

PLACE: Conference Room 211

RE: HB4, HD1, SD1 (Sick 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.

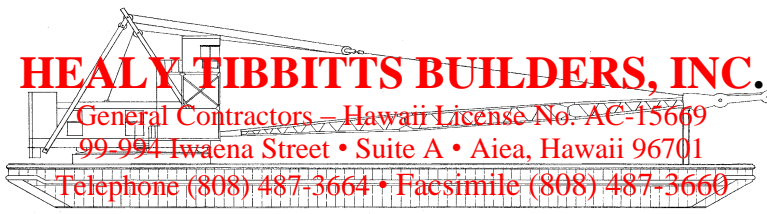
Our member employers understand that employees will require occasional leave from work due to a legitimate sickness or other reasons, and generally accommodate and work with them.

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

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

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

In light of this, we respectfully request that this measure be held. Thank you for the opportunity to testify.



March 30, 2017

Sent Via E-mail to:

WAMTestimony@capitol.hawaii.gov

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **OPPOSITION TO H.B. 4, HD1, SD1, RELATING TO HEALTH.** Requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care. Takes effect 1/7/2059. (SD1)

HEARING

DATE: March 30, 2017

TIME: 9:30 a.m.

PLACE: Capitol Room 211

Dear Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

Healy Tibbitts Builders, Inc. is a general contractor in the State of Hawaii and has been actively engaged in construction work in Hawaii since the early 1960's. In addition to being a general contractor, Healy Tibbitts also performs work as a subcontractor for foundation work.

Healy Tibbitts Builders, Inc. H.B. 4, HD1, SD1, which proposes to create a new section in state law that would require all employers to provide a mandatory minimum amount of **paid** sick leave for employees to care for themselves or a family member due to a number of reasons. H.B. 4 HD1, SD1 proposes that all employees who work in the State for more than eighty hours in a year shall have the right to paid sick leave and shall accrue a minimum of one hour of paid sick leave for every forty hours worked, further the measure states that employees shall not accrue more than forty hours of paid sick leave in a calendar year, unless the employer provides a higher limit. While GCA understands the intent of this measure, it proposes a mandate that could potentially impact the ability for a small business to operate and hire employees while also taking away the flexibility of any employer from using other methods of time off for employees.

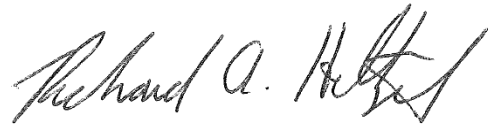
In the construction industry most employers provide their employees with a competitive wage and benefits package including vacation, medical, health and welfare and other incentives for retention purposes, however as written the bill would apply to all employees, even part-time workers. Further while the bill recognizes a possible waiver if a collective bargaining agreement (CBA) exists, the law would still apply to part-time workers that work over eighty hours in a year who may not be subject to a CBA. There are other ways in which an employee may be covered for days off due to illness, for example, temporary disability insurance is available absences due to illness. Further many employers provide sick leave benefits over and above the

Healy Tibbitts Builders, Inc.

statutory requirement as an additional benefit. The proposed language in H.B. 4, HD1, SD1 would create an entire new system of mandating employers to provide sick leave benefits which could have a negative impact on businesses statewide and force some to let go of employees because of the inability to provide such a benefit.

For these reasons we oppose this bill and request for its deferral.

Very truly yours,
Healy Tibbitts Builders, Inc.

A handwritten signature in black ink, appearing to read "Richard A. Heltzel". The signature is written in a cursive style with a large, stylized initial "R".

Richard A. Heltzel
President



1654 South King Street
Honolulu, Hawaii 96826-2097
Telephone: (808) 941.0556
Fax: (808) 945.0019
Web site: www.hcul.org
Email: info@hcul.org



Testimony to the Senate Committee on Ways & Means
9:30 am

Testimony in Opposition to HB 4 HD1 SD1, Relating to Health; and
HB 214 HD1 SD1, Relating to Family Leave

To: The Honorable Jill Tokuda, Chair
The Honorable Donovan Dela Cruz, 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 61 Hawaii credit unions, representing over 800,000 credit union members across the state.

We are in opposition to HB 4 HD1 SD1 & HB 213 HD1 SD1, which would require employers to provide a minimum amount of paid sick/family leave to employees to be used to care for themselves or a family member who is ill or needs medical care, or for other purposes.

While we appreciate and understand the intent of this bill to allow for 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.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 30, 2017 11:44 AM
To: WAM Testimony
Cc: rswindell@bridgedeck.org
Subject: *Submitted testimony for HB4 on Mar 31, 2017 09:30AM*

HB4

Submitted on: 3/30/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Swindell	IOMM&P	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 30, 2017 12:14 PM
To: WAM Testimony
Cc: junochung45@gmail.com
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/30/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Juno Chung	Koa Pancake House	Oppose	No

Comments: I am the owner of Koa Pancake House and Koa Cafe and I am against the bill HB4 HD 1. Being in the restaurant business, it is already difficult enough to make it in a industry with small margins. Along with the minimum wage going up every year, business owners will be forced to just pass on the cost over to the customers. I understand the hearing is tomorrow on March 21, 2017 but I hope you may reconsider this bill, as it will not only hurt my business but many other family business here on Oahu. Aloha, Juno Chung

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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S & M SAKAMOTO, INC.

GENERAL CONTRACTORS

Via E-mail: WAMTestimony@capitol.hawaii.gov
Facsimile: (808) 586-7348

March 31, 2017

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE
CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **OPPOSITION TO H.B. 4, HD1, SD1, RELATING TO HEALTH.** Requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care. Takes effect 1/7/2059. (SD1)

HEARING

DATE: March 30, 2017
TIME: 9:30 a.m.
PLACE: Capitol Room 211

Dear Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

S & M Sakamoto, Inc. opposes H.B. 4, HD1, SD1, which proposes to create a new section in state law that would require all employers to provide a mandatory minimum amount of **paid** sick leave for employees to care for themselves or a family member due to a number of reasons. H.B. 4 HD1, SD1 proposes that all employees who work in the State for more than eighty hours in a year shall have the right to paid sick leave and shall accrue a minimum of one hour of paid sick leave for every forty hours worked, further the measure states that employees shall not accrue more than forty hours of paid sick leave in a calendar year, unless the employer provides a higher limit. While GCA understands the intent of this measure, it proposes a mandate that could potentially impact the ability for a small business to operate and hire employees while also taking away the flexibility of any employer from using other methods of time off for employees.

In the construction industry most employers provide their employees with a competitive wage and benefits package including vacation, medical, health and welfare and other incentives for retention purposes, however as written the bill would apply to all employees, even part-time workers. Further while the bill recognizes a possible waiver if a collective bargaining agreement (CBA) exists, the law would still apply to part-time workers that work over eighty hours in a year who may not be subject to a CBA. There are other ways in which an employee may be covered for days off due to illness, for example, temporary disability insurance is available absences due to illness. Further many employers provide sick leave benefits over and above the statutory requirement as an additional benefit. The proposed language in H.B. 4, HD1, SD1 would create an entire new system of mandating employers to provide sick leave benefits which could have a negative impact on businesses statewide and force some to let go of employees because of the inability to provide such a benefit.

For these reasons we oppose this bill and request for its deferral.

Very truly yours,

Gerard Sakamoto
Chairman of the Board



To: Senator Keith-Agaran, Chair
Senator Roads, Vice Chair
Committee on Judiciary and Labor

From: Jason Doney, General Manager
jason@leilanis.com

Hearing: March 31, 2017

RE: **HB 4 HD1 – In Opposition**
Relating to Mandatory Paid Sick Leave

We are opposed to the proposed additional mandate of paid sick leave.

1. The Hawaii Department of Labor has concerns about this bill and its overlap with existing legislation, and so do we. The state already requires us to pay sick leave, it is called Temporary Disability Insurance (TDI) and eligible employees can receive payment for up to 26 weeks a year.

In addition, we have Hawaii Family Leave to care for family members and Victims Protection Leave for victims of domestic and sexual violence. If you want to expand the benefits of paid sick leave, modify the existing TDI legislation.
2. The additional administrative burden on us as an employer would be enormous. We are already tracking employee hours weekly for the Prepaid Health Care Act and for Temporary Disability Insurance. This additional accrual system is unlike the other tracking currently being done.
3. Employers should be given the opportunity to provide benefits as they choose to remain attractive to their employees. The flexible hours and lifestyle we provide allow employees many scheduling opportunities that other industries do not. Work with Hawaii employers to strengthen the economy and improve opportunities. Please do not add additional challenges.

For these reasons, we are in opposition to HB 4.

Thank you for your time. Mahalo!



HAWAIIAN DREDGING
CONSTRUCTION COMPANY, INC.

Via E-mail: WAMTestimony@capitol.hawaii.gov
Facsimile: (808) 586-7348

March 31, 2017

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **OPPOSITION TO H.B. 4, HD1, SD1, RELATING TO HEALTH.** Requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

HEARING

DATE: March 30, 2017
TIME: 9:30 a.m.
PLACE: Capitol Room 211

Dear Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

Hawaiian Dredging Construction Company, Inc. (HDCC) opposes H.B. 4, HD1, SD1, which proposes to create a new section in state law that would require all employers to provide a mandatory minimum amount of **paid** sick leave for employees to care for themselves or a family member due to a number of reasons. H.B. 4 HD1, SD1 proposes that all employees who work in the State for more than eighty hours in a year shall have the right to paid sick leave and shall accrue a minimum of one hour of paid sick leave for every forty hours worked, further the measure states that employees shall not accrue more than forty hours of paid sick leave in a calendar year, unless the employer provides a higher limit. While HDCC believes that the goal sought to be achieved by this legislation is not without merit, as proposed it is overly burdensome and could detrimentally impact the ability of small businesses to operate and hire employees. It also takes away the flexibility of any employer from using other methods of time off for employees.

In the construction industry most employers provide their employees with a competitive wage and benefits package including vacation, medical, health and welfare and other incentives for retention purposes, however as written the bill would apply to all employees, even part-time workers. Further while the bill recognizes a possible waiver if a collective bargaining agreement (CBA) exists, the law would still apply to part-time workers that work over eighty hours in a year who may not be subject to a CBA. There are other ways in which an employee may be covered for days off due to illness, for example, temporary disability insurance is available absences due to illness. Further many employers provide sick leave benefits over and above the statutory requirement as an additional benefit. The proposed language in H.B. 4, HD1, SD1 would create an entire new system of mandating employers to provide sick leave benefits which could have a negative impact on businesses statewide and force some to let go of employees because of the inability to provide such a benefit.

For these reasons we oppose this bill and request for its deferral.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 29, 2017 9:54 AM
To: WAM Testimony
Cc: hgalbiso@seafarers.org
Subject: *Submitted testimony for HB4 on Mar 31, 2017 09:30AM*

HB4

Submitted on: 3/29/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Hazel Galbiso	Seafarers International Union	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



March 30th, 2017

Re: HB 4 HD1, SD1

Sen. Jill N. Tokuda, Chair, Sen. Donovan M. Dela Cruz, Vice Chair, Members of the Committee on Ways and Means

POSITION: STRONGLY OPPOSE

My name is Monica K. Toguchi Ryan, and I own a 70-year old family business, Highway Inn. We employ 110 people in Oahu, and we would like to continue to grow our business, however proposals such as these send waves of uncertainty and doubt through our business community concerning how long it will remain viable to operate a business in Hawaii.

We thank you for providing us the opportunity to comment on a bill which will first and foremost impact *businesses* in Hawaii. We believe that as a *business* facing the burden of implementing this bill, that our testimony is very relevant. We deal with the issues I describe below, every single day.

The objective of ensuring that people in the state that need time off from work to prevent the propagation of illness at the workplace is laudable and has our support.

Many companies, including ourselves, provide a Paid Time Off benefit to our full-time workers. Moreover, most of our part-time workers are seasonal (e.g. college students), or they are part-time employees who value the flexibility to work when they want, and do not treat their part-time work with us a primary source of income. A few other part-time workers have full-time employment benefits elsewhere (and thus may double-dip if benefits are thus extended).

In other words, the population of workers who will benefit from the implementation of this bill is very small in proportion to total amount of part time workers in Hawaii.

We also believe that it is likely that the cost of compliance for Hawaii's businesses will far exceed the value of the benefits. We would urge that an analysis be performed of the full economic impact of this bill, as the conclusion will likely support our thesis.

Turning to our qualitative analysis of the bill, here are some of the deficiencies of the bill as we see it:

- It is the exception that employees from this small targeted group of employees retain their employment for more than a year – that is simply the way it is, regardless of employer or industry. Such workers may work for us for a few months, before headed on to something else, or simply stop showing up to work one day. It is a very common occurrence.
- This bill will do nothing to address a serious situation where employees of all classifications went to work during the Hepatitis A outbreak last year, where symptoms did not show for weeks, but contagion nonetheless was present
- The system will be abused and likely generate more administrative costs for the state. The Department of Labor, Labor Lawyers and Employers will burn more time and energy on the application and interpretation of this law than the benefits it aims to convey.
 - A very practical example is determining what specific time-off a part-time employee is requesting when that part time employee is not on the work schedule beyond the current week.
 - Part time employees with balances will resort to just claiming their accrued paid time off and treating it as additional pay, while working at their other job.
- For restaurants such as ours the system is not broken. Part-time employees are continually asking for days off and swap shifts around to accommodate their personal schedules, and we have invested in technology which is available on their smart phones. This is the flexibility trade off a part time worker wants. There will be unintended consequences of now introducing paid time off.

We firmly believe that this issue is best resolved through the State implementing a sick-leave insurance program for the targeted population. Most reputable businesses already have a program which manages the situation well, and thus this program will simply further burden small businesses, resulting in increased consumer prices. As small businesses thrive, so too does the state's tax income.

I strongly oppose HB4 and believe it should not be progressed. Thank you for the opportunity to submit this testimony.



THE QUEEN'S HEALTH SYSTEMS

To: The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair
Committee of Ways and Means

From: Paula Yoshioka, Senior Vice President, The Queen's Health Systems
Date: March 30, 2017
Hrg: Senate Committee on Ways and Means Decision Making; Friday, March 31, 2017 at 9:30AM in Room 211

Re: **Comments for HB 4, HD1, SD1 Relating to Health**

My name is Paula Yoshioka, and I am a Senior Vice President at The Queen's Health Systems (QHS). QHS would like to provide **comments** on HB 4 HD1, SD1 Relating to Health, requiring certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

QHS is the one of the largest employers in the state of Hawaii with over 7,000 employees and over 1,600 physicians across four hospitals and 66 health care centers and labs. As a hospital system, we understand the importance of allowing employees to be able to take leave if they are sick in order to prevent the further spread of disease and to take care of sick family members. While QHS supports the intent of this bill, we would like to highlight a few concerns that we are seeking clarification from the committee.

Section 2(e) of this bill does not explicitly state whether Paid Time Off (PTO) policies are included in the separate sick leave requirement exemption. At QHS we offer our employees a combined paid time off benefit where employees accrue PTO hours that can be used for personal time off, holidays, vacation, personal business, and personal or family illness. In case of a long-term personal illness or injury, accrued Extended Sick Leave (ESL) hours may be used under certain conditions. We believe that QHS offers competitive paid time off benefits that allow our employees the flexibility to take paid leave as needed. However, if the sick leave requirement exemption does not include combined PTO policies, QHS would experience a \$12 million impact to our system.

We also seek clarification in Section 2(a) on which employer will be responsible for providing sick leave to employees who work in the state for more than 680 hours in a year. At QHS we have a large number of "call-in" employees who may have multiple employers. It is not clear which employer will be responsible for providing sick leave to employees with multiple jobs and how each employer is to track the number of hours worked in a year. This could lead to a greater administrative burden and an additional \$1.64 million impact to our health care system.

We appreciate any clarity that the committee can provide on these concerns. Thank you for the opportunity to provide comments to this measure.

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.



GREG AMES / General Manager

808.922.2268

dukeswaikiki.com

2335 KALAKAUA AVE., SUITE 116
HONOLULU, HI 96815

To: Senator Tokuda, Chair
Senator Dela Cruz, Vice Chair
Members of the Senate Committee on Ways and Means

From: Greg Ames

Hearing: March 31, 2017

RE: **HB 4 SD1 – In Opposition**
Relating to Mandatory Paid Sick Leave

We are opposed to the proposed additional mandate of paid sick leave.

Hawaii Employers have many additional burdens placed on them. Just a few examples.

- Hawaii is one of **only five states** that provide Temporary Disability Insurance.
- The Hawaii Pre-Paid Health Care Act is by far more costly for employers than the Affordable Care Act ever will be. Hawaii employees contribute **1.5%** of their wages towards health insurance compared to ACA employees contribute **9.5%** of their wages. Employers pay the rest.
- Hawaii employees qualify for Health Care after only **4 weeks at 20 hours** a week. ACA employees qualify after **90 days at 30 hours** a week. This means a much larger group of Hawaii residents are covered by their employers than other states.

Work with Hawaii employers to strengthen the economy and improve opportunities. Please do not add additional challenges.

For these reasons, we are in opposition to HB 4.

Thank you for your time. Mahalo!

Aloha,

My name is Dana Matlin and I am writing in opposition to HB4, which requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

As a relatively small, non-profit employer with 340 employees, enactment of this bill would be adding even greater burden to Hawai'i employers and would add to the existing challenges to run a business in the state of Hawai'i.

This measure creates significant implementation challenges and an administrative burden on Human Resource professionals and employers. It has the potential for unintended consequences. Those consequences include conflicts with other laws and requirements and the potential to cause internal and operational conflict with existing employer-provided leave policies and costs.

Kāhala Nui already provides a generous sick leave benefit to our employees so the effect of this bill would simply be more administrative burden and cost with no benefit to any employees.

Thank you,
Dana Matlin
Director of Human Resources
Kāhala Nui
4389 Malia Street
Honolulu, HI 96821
(808) 218-7006
dmatlin@kahalanui.com

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 30, 2017 4:00 PM
To: WAM Testimony
Cc: kpayne@hawaii-can.org
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/30/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kory Payne	Hawaii Children's Action Network	Oppose	No

Comments: I'm writing in opposition of HB 4 HD1 SD1. Currently, the language in this sick leave bill would make it the weakest sick leave bill in the nation. Specifically, The employer size for having to comply with the law is blanked out. If we limit sick leave to only those employed at larger businesses, the public health risk for sick employees going to work remains the same. I understand the need for businesses to ensure their viability, but I do not believe that viability should be balanced on the backs of employees. Also, the bill allows for employers who make _____ amount over the minimum wage to be exempted from sick leave. Many women work multiple low wage jobs to survive financially in Hawaii and put food on the table. Just because workers make a certain amount over the minimum wage does not mean that these people don't have a need for basic sick leave. Finally, the current language allows employers to determine the way in which employees will take sick leave. This will inevitably be unenforceable and I can foresee employers potential abuse of this provision. Finally, I think the passage of HB 4 HD1 SD1 will significantly limit our ability to pass a meaningful paid family leave bill in the future. Thank you for your consideration.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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To: Senate Committee on Ways and Means

March 30, 2017

RE: Opposition to HB4

Aloha,

My name is Laurie Hagedorn and I am writing in opposition to HB4, which requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

I am currently the HR Manager at John Mullen and Company, an independent insurance claims adjusting firm that has been in business in Hawaii since 1959.

This measure creates significant implementation challenges and an administrative burden on Human Resource professionals and employers. It has the potential for unintended consequences. Those consequences include conflicts with other laws and requirements and the potential to cause internal and operational conflict with existing employer-provided leave policies and costs.

We already provide our employees with a generous sick leave policy. Our employees are allowed to utilize a portion of their sick leave to care for immediate family members.

Thank you,
Laurie Hagedorn
HR Manager
John Mullen and Company
808-541-5888
lhagedorn@johnmullen.com

John Mullen & Company

677 Ala Moana Blvd, Suite 910, Honolulu, HI 96813 • ph 808 531 9733 • f 808 531 0053 • info@johnmullen.com • www.johnmullen.com

The Twenty-Ninth Legislature
Regular Session or 2017

THE STATE SENATE
Committee on Ways and Means
Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
State Capitol, Conference Room 211
Friday, March 31, 2017; 9:30 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 4 HD 1 SD 1
RELATING TO HEALTH**

The ILWU Local 142 strongly supports H.B. 4 HD 1 SD 1, which requires employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

H.B. 4 H.D. 1 SD 1 provides that all employees who work in the State for more than six hundred eighty hours in a year shall have the right to accrue sick leave. Sick leave would accrue at the rate of one hour of paid leave for every forty hours worked. A cap is also provided so that no employee would accrue more than forty hours of paid sick leave in a calendar year.

Providing paid leave for a worker's own illness or disability is a humane employment practice that fosters loyalty and productivity among employees for their employers. The current law mandating Temporary Disability Insurance (TDI) is a means of providing paid leave for workers to address their own illnesses, but TDI starts only after a week of illness. TDI also pays 58% of wages for a maximum 26 weeks.

We are concerned that some employers who now offer good sick leave policies may terminate those policies and instead offer TDI and the limited benefit provided in H.B. 4 HD 1 SD 1. The law should not allow employers to opt for the cheaper alternative. Further, H.B. 4 H.D. 1 SD 1 should not jeopardize the Temporary Disability Insurance law, which has been in effect for more than 40 years and has served us well. Some safeguards may need to be considered.

The ILWU strongly urges passage of H.B. 4 HD 1 SD 1 , with additional language to address the TDI concern. Thank you for the opportunity to share our views on this matter.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Friday, March 31, 2017 at 9:30 A.M.
Conference Room 211, State Capitol**

RE: HOUSE BILL 4 HD1 SD1 RELATING TO HEALTH

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly opposes** HB 4 HD1 SD1, which requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ 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 appreciate the work the various committees have put into this draft. However, we cannot support the bill. The Chamber does not believe that this benefit should be mandated by legislation. Employers already have to deal with many mandated benefits for employees, which have steadily increased the employer's burden as well as the cost of doing business in Hawaii. Keep in mind that Hawaii is the only state that mandates employers of all sizes to provide healthcare coverage of which over 90% of the cost is paid for by the employer.

Those employers who do provide sick leave do so, so that the employees can recover from a health illness or injury. Many employers are quite generous with sick leave benefits. We believe that this bill may cause problems for both employers and employees in existing leave systems.

While most workers utilize their sick leave only when ill, there is a percentage of workers who abuse this benefit. CareerBuilder.com reported that 1 in 4 workers consider sick leave to be vacation time. This bill would make it very difficult for employers to manage their employees and the benefits provided.

We respectfully ask that this bill be held in committee. Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 30, 2017 4:22 PM
To: WAM Testimony
Cc: mgolojuch@hotmail.com
Subject: *Submitted testimony for HB4 on Mar 31, 2017 09:30AM*

HB4

Submitted on: 3/30/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Golojuch Jr	LGBT Caucus of the Democratic Party of Hawaii	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: [Anthony Lenzer](#)
To: [WAM Testimony](#)
Subject: Comments re HB 4 SD 1 and HB 213 SD 1
Date: Thursday, March 30, 2017 9:16:58 AM

TO: [Senate Committee on Ways & Means](#)
FROM: Anthony Lenzer, PhD
RE: [HB 4 SD 1](#) [HB 213 SD 1](#)
HEARING: Friday, March 31, 2017, 9:30 .m.
Conference Room 211, State Capitol

Senator Tokuda and Committee Members:

On behalf of the Policy Advisory Board for Elder Affairs (PABEA) I am writing to offer comments on HB 4 HD 1, as well as HB 213 HD 1, both related to Family Leave. PABEA is an advisory body to the Executive Office on Aging (EOA) re issues related to aging, and serves as an advocate for Hawaii's Kupuna and their families. PABEA's views do not necessarily reflect those of the EOA.

We strongly support enactment of a Hawaii Paid Family Leave law, but have concerns about these measures as written. HB 4 HD 1 only requires employers to provide a minimum amount of paid sick leave, an amount related to the number of hours worked. We support a law which allows twelve weeks of paid leave. HB 213 HD 1 extends the scope of Hawaii's current law to allow unpaid time off to care for a sibling, or upon the death of a family member. While we have no objections to these changes, **we recommend that the Committee consider the stronger and more comprehensive policy described in HB1362.**

It is time for Hawaii to pass a strong Family Leave Insurance policy. Employees need subsidized time off of work to care for a newborn, newly adopted or foster child, or an ill family member. Paid Family Leave guarantees that employees can cover basic costs of living, and also provide care to family members when they need it most.

Four other states (California, New Jersey, Rhode Island, and New York) have passed laws that provide employees with paid family leave for parenting and caregiving for family members. A 10 year study of the California law found increased employee loyalty, a healthier workforce, longer breastfeeding rates, lower rates of postpartum depression, and more gender equity in child care and caregiving. Businesses report little negative consequences after the law was enacted, and laws such as this do not impose additional financial burdens on the State.

Under federal and state law, the only leave allowed to families with a newborn child or unexpected caregiving responsibilities is unpaid leave. Hawai'i has no paid family leave, unless an employer willingly provides it.

Ideally, Legislative Proposals for Paid Family Leave Should Include:

- Universal paid family leave--- all employees pay in, and all employees can take out.

- A broad definition of family to encompass Hawaii's cultural views of the term "family."
- Wage replacement program for caregivers. More progressive wage replacement for lower income workers is preferred, in order for low income workers to actually be able to utilize the leave.
- A cap on wage replacement so higher income workers do not exhaust the fund.
- At least 12 weeks. Biological mothers should not be foreclosed from also using TDI.

Thank you for the opportunity to testify on this important subject.



Hawaii's Finest Macadamia Nuts ~ Chocolates ~ Confections

March 30, 2017

Re: HB 4 SD1

Dear Members of the Senate Committee on Ways and Means,

I serve as the General Manager for Island Princess Macadamia, a subsidiary of Island Princess farming and processing Macadamia nuts on the Big Island. This operation employs approximately 60 people and farms approximately 1000 acres.

My employers, the Purdys, have worked very hard over the last 30 years to establish and grow their company in this very difficult business environment. During that entire time of eking out barely sustainable profits, they have always been as considerate as possible when compensating their employees. We have provided them with clean, safe work places and regular annual raises wherein the Purdys have attempted to, at least, meet the COL index.

Three years ago, this state mandated nearly crippling minimum wage increases on private employers claiming that people could not live on the past minimum wage. Now, even with the new wages in place, some people in the state are insisting that lost work time due to illness is creating such hardship for the working class that businesses should be compelled to pay sick people for not working. This notion is ludicrous. It penalizes those who remain healthy and come to work. It will assuredly evolve into a "benefit" that even the healthy will feel they have earned and will exercise at their discretion. So, ultimately, all this effort amounts to is yet another attempt by unionists and their ilk in government to raise wages artificially and throw the entire burden on the backs of businesses.

We are vehemently opposed to this effort and are in complete agreement with the Hawaii Employers Council in their statement that I have incorporated into this testimony.

We have always known that Hawaii has consistently been ranked as one of the worst states in the entire country to do business by publications and organizations such as Forbes, CNBC, Business Insider, Chief Executive, and the Small Business and Entrepreneurship Council. Two significant reasons why our state ranks so poorly in these studies has been the (1) high costs of doing business and (2) the regulatory climate in Hawaii. Clearly, at a time when Hawaii's economy is trying to avoid another devastating recession, it would be ill-advised to add further costs and regulations for Hawaii businesses.

Therefore, we must **oppose** HB 4 SD1 for the following reasons:

Increased Costs Would be Bad for Hawaii's Economy

Businesses in Hawaii are already trying cope with significant increases to the state's minimum wage in recent years. Specifically, the minimum wage has increased from \$7.25 in 2014 to what will be \$10.10 per hour on January 1, 2018. This represents a 39.3% increase to the minimum wage in just four short years. In addition, as the only state in the nation with the Prepaid Health Care Act, employers are already spending thousands of dollars per year per employee for medical insurance – and this cost continues to increase as the price of medical insurance continues to rise.

Paid sick leave mandates would undoubtedly be another cost item because employers would be forced to pay employees for time that is NOT spent working. At this juncture, adding another cost item for Hawaii businesses while we are still in the middle of a significant minimum wage hike and increased health care costs would be severely detrimental for companies that are struggling to operate in Hawaii.

Employers will Pay Double for Labor

In line with increased costs, this bill would require Island Princess and other employers to pay double wages in situations where an employee takes time off from work and the company needs to find coverage for that individual.

Specifically, for certain occupations, employees can take time off from work without finding coverage (e.g. exempt employees). In other jobs, however, companies need to find replacement workers when a worker cannot come to work. For example, employers in the retail and food service industries need to find replacements for employees who miss a scheduled shift. If paid sick leave is mandated in those instances, the company would need to pay one set of wages for the worker who is on sick leave and a second set of wages for the worker who is replacing the absent employee, which effectively means that the company will pay double for that particular shift.

One-Size-Fits-All Policies Don't Work

Without a doubt, no two businesses are exactly alike. The operational needs of different businesses both within and across various industries vary greatly. For instance, leave policies that may work for one company will not necessarily work for another. Therefore, most companies have different leave policies from another, and those policies have been developed, tweaked, and revised over time to meet the operational needs of the workforce.

In addition, most companies in Hawaii already provide sick leave in one form or another – whether it be through a sick leave plan, TDI, or PTO. For those companies, a law that legally mandates how sick leave should be provided by employers and used by employees simply does not make sense, especially if the same law needs to be applied by all companies. Other the other hand, some companies are simply not able to provide sick leave for one reason or another, and this bill will surely have a detrimental impact on their operations.

Loss of Employee Benefits & Reduction in Wages

Most employers have spent years refining their entire benefits packages, which includes all forms of leave, as well as vacation days, pay, retirement, and other benefits.

If employers are required to provide employees with a benefit that is not already part of the company's budget, that employer will have to make up the costs somehow, most likely by reducing other benefits or cost items. Employers do not have an unlimited

amount of resources. Therefore, when companies need to pay for an additional new cost item, they will also have to take something away in order to find ways to cover the additional costs.

For instance, many employers already provide time off for employees in the form of Paid Time-Off (“PTO”) policies. PTO policies are preferable for employees for a number of reasons, but mainly because such leave can be taken for just about ANY reason. If employers are forced to provide paid sick leave in addition to PTO, the natural response would be to eliminate the corresponding amount of leave that is currently available under the PTO policy. This unintended consequence would actually be detrimental to employees, because they will be provided with a benefit that is less desirable.

In addition, pay increases or bonuses may also be eliminated or decreased if employers are required to find cost-cutting areas due to the increased cost of legally mandated sick leave.

Higher Costs for Goods and Services

Another way businesses may try to adjust their expenses for the increased costs due to legally mandated paid sick leave would be to increase the costs of their goods and services for consumers. Island Princess and many other companies, however, cannot raise their prices anymore because we may end up losing some customers in the process if they become “priced out of the market.”

Impact on Job Growth / Job Reduction

With added costs, employers will look to reduce their overhead in several ways. One method may be to reduce their employee count in order to run a leaner operation. Unfortunately, companies may not be able to avoid running their operations with a leaner workforce if the cost per employee continues to rise.

Employees Already Get Legally Mandated Paid Leave

For situations where an employee is physically unable to work due to an illness or injury, Hawaii law also provides wage replacement benefits in the form of workers’ Compensation and TDI. Under the current system, employers are the ones who pay for the insurance premiums for workers’ compensation and TDI.

Bill Would Allow for Double Dipping

As drafted, the HB 4 SD1 would allow employees to double-dip their benefits by collecting paid sick leave from their employer while also collecting either workers’ compensation or TDI benefits at the same time.

No Employer Oversight & Potential for Abuse

The bill does not require employees to provide their employer with any form of proof or certification that they are indeed sick or need to care for a family member with a medical condition. Rather, they just need to inform their employer that they will be taking leave. No particular notice is even required. This could lead to severe abuse by employees, and employers would have no way to verify if leave taken under this measure was ever legitimate.

Additionally, although this bill provides that employees must exercise “good faith” and “reasonable efforts” when notifying their employer of the need for paid sick leave, the language of the bill does not provide any recourse for when an employee does not comply with these requirements. This could also lead to severe abuse by employees.

Section 2 of the Bill is Confusing

The bill provides that only employees who work more than 680 hours in a year would be eligible for paid sick leave. The bill does not, however, explain how this is to be calculated or even whether it is to be estimated at the beginning of the year or is triggered only after an employee has worked for 680 hours within the year.

Confidentiality Provisions Seems Out of Place

Finally, it seems odd to include Section 5, which requires confidentiality and nondisclosure of medical information, when such information need not even be provided by an employee who is taking sick leave. Therefore, it is unlikely that an employee would provide their employers with a doctor's note if they are not required to do so.

We are submitting this testimony in hopes that it will help you make the right decision and vote against implementing this bill that would have a very damaging impact on our company, Hawaii business as a whole and our wonderful Hawaii workforce that we sincerely do value greatly.

Best regards,

A handwritten signature in black ink, appearing to read 'D. Schell', with a long horizontal flourish extending to the right.

David Schell

GM, IP Kea'au Operations

P.O. Box 340

Kea'au, Hawaii 96749



Hawaii's Finest Macadamia Nuts ~ Chocolates ~ Confections

March 29, 2017

Re: HB 4 SD1

Dear Members of the Senate Committee on Ways and Means,

I am the President of Island Princess, a manufacturer of chocolates and confections on Oahu and a grower and processor of Macadamia nuts on the Big Island.

My husband and I started our company over 30 years ago and it has been a struggle, especially with his passing in August 2015. We strived to create an environment where our employees can grow and prosper and enjoy the hours they spend with us at work.

We have a workweek of four ten hour days that allows our employees to enjoy a three day weekend every week. Usually a four day weekend on holidays whenever possible.

We provide an incentive for employees to be at work vs missing work by way of an Attendance Award that is paid in the first of the New Year. We also provide a year-end bonus to employees based on the years of service and the hours during the entire year. This rewards those employees that are long-term employees and those that don't miss work.

For year-end 2016, we gave out over \$100,000 for these award programs. So, our employees are rewarded for NOT missing work. This bill would reward them FOR missing work.

I have always known that Hawaii has consistently been ranked as one of the worst states in the entire country to do business by publications and organizations such as Forbes, CNBC, Business Insider, Chief Executive, and the Small Business and Entrepreneurship Council. Two significant reasons why our state ranks so poorly in these studies has been the (1) high costs of doing business and (2) the regulatory climate in Hawaii. Clearly, at a time when Hawaii's economy is trying to avoid another devastating recession, it would be ill-advised to add further costs and regulations for Hawaii businesses.

Therefore, we must **oppose** HB 4 SD1 for the following reasons:

Increased Costs Would be Bad for Hawaii's Economy

Businesses in Hawaii are already trying cope with significant increases to the state's minimum wage in recent years. Specifically, the minimum wage has increased from \$7.25 in 2014 to what will be \$10.10 per hour on January 1, 2018. This represents a 39.3% increase to the minimum wage in just four short years. In addition, as the only state in the nation with the Prepaid Health Care Act, employers are already spending thousands of dollars per year per employee for medical insurance – and this cost continues to increase as the price of medical insurance continues to rise.

Paid sick leave mandates would undoubtedly be another cost item because employers would be forced to pay employees for time that is NOT spent working. At this juncture, adding another cost item for Hawaii businesses while we are still in the middle of a significant minimum wage hike and increased health care costs would be severely detrimental for companies that are struggling to operate in Hawaii.

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In line with increased costs, this bill would require Island Princess and other employers to pay double wages in situations where an employee takes time off from work and the company needs to find coverage for that individual.

Specifically, for certain occupations, employees can take time off from work without finding coverage (e.g. exempt employees). In other jobs, however, companies need to find replacement workers when a worker cannot come to work. For example, employers in the retail and food service industries need to find replacements for employees who miss a scheduled shift. If paid sick leave is mandated in those instances, the company would need to pay one set of wages for the worker who is on sick leave and a second set of wages for the worker who is replacing the absent employee, which effectively means that the company will pay double for that particular shift.

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In addition, most companies in Hawaii already provide sick leave in one form or another – whether it be through a sick leave plan, TDI, or PTO. For those companies, a law that legally mandates how sick leave should be provided by employers and used by employees simply does not make sense, especially if the same law needs to be applied by all companies. Other the other hand, some companies are simply not able to provide sick leave for one reason or another, and this bill will surely have a detrimental impact on their operations.

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For instance, many employers already provide time off for employees in the form of Paid Time-Off (“PTO”) policies. PTO policies are preferable for employees for a number of reasons, but mainly because such leave can be taken for just about ANY reason. If employers are forced to provide paid sick leave in addition to PTO, the natural response would be to eliminate the corresponding amount of leave that is currently available under

the PTO policy. This unintended consequence would actually be detrimental to employees, because they will be provided with a benefit that is less desirable.

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Additionally, although this bill provides that employees must exercise “good faith” and “reasonable efforts” when notifying their employer of the need for paid sick leave, the language of the bill does not provide any recourse for when an employee does not comply with these requirements. This could also lead to severe abuse by employees.

Section 2 of the Bill is Confusing

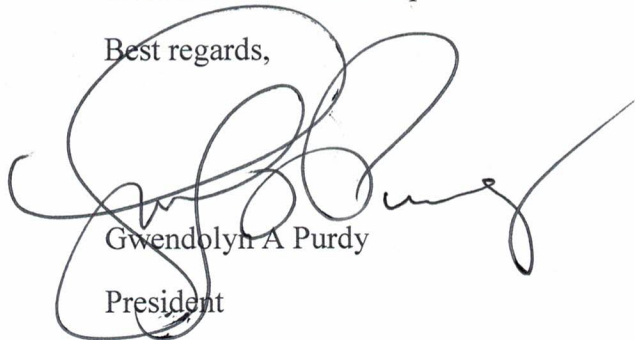
The bill provides that only employees who work more than 680 hours in a year would be eligible for paid sick leave. The bill does not, however, explain how this is to be calculated or even whether it is to be estimated at the beginning of the year or is triggered only after an employee has worked for 680 hours within the year.

Confidentiality Provisions Seems Out of Place

Finally, it seems odd to include Section 5, which requires confidentiality and nondisclosure of medical information, when such information need not even be provided by an employee who is taking sick leave. Therefore, it is unlikely that an employee would provide their employers with a doctor's note if they are not required to do so.

I humbly submit this testimony in hopes that it will help you make the right decision and vote against implementing this bill that would have a very damaging impact on my company, Hawaii business as a whole and our wonderful Hawaii workforce that I value more than words can express.

Best regards,

A handwritten signature in black ink, appearing to read 'Gwendolyn A Purdy', written over the typed name and title.

Gwendolyn A Purdy

President

PURDYCO LTD., DBA ISLAND PRINCESS

2836 UALENA STREET

HONOLULU, HI 96819

808-839-5222

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 29, 2017 10:55 AM
To: WAM Testimony
Cc: stephenpalin65@yahoo.com
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/29/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Palin	Individual	Oppose	No

Comments: I am writing in strong opposition to hb4 hd1 Sd1 I am certain the working men of women would love this bill, who wouldn't, paid time off! Unfortunately it comes at a huge additional cost to employers. Hawaii was ranked as the 49th worst state to do business in last year. I am quite certain that if this bill passes we will regain our title that we held in 2015 as THE worst. Congratulations! On line 7 of this bill it cites a reduction of health care expenditures if \$1.1 billion dollars nationally. An impressive number however this bill only applies to Hawaii so I am not sure if this number is at all relevant. Having said that, this is the only number I have to work with so lets' assume this bill went nationwide. According to recent labor statistics, there are 123.6 million employed people in this country. That works out to a savings of \$8.89 per employee. I will be generous and say that half of the work force already has paid sick time and the remaining half are all paid minimum wage which I believe with a few exceptions is \$7.25/hour. The additional costs to business would be 40 hours at \$7.25/hr. x 61.8 million people. This comes to 1.79 billion dollars additional costs to employers to save \$1.1 billion in health care expenditures. Spend \$1.79 billion to save \$1.1 billion. I don't care how bad you are at math, this just does not make sense.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 29, 2017 10:19 AM
To: WAM Testimony
Cc: lady.flach@gmail.com
Subject: *Submitted testimony for HB4 on Mar 31, 2017 09:30AM*

HB4

Submitted on: 3/29/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Teri Heede	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 29, 2017 9:21 AM
To: WAM Testimony
Cc: emmaharberwhite@gmail.com
Subject: *Submitted testimony for HB4 on Mar 31, 2017 09:30AM*

HB4

Submitted on: 3/29/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Emily White	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 29, 2017 2:32 PM
To: WAM Testimony
Cc: suzy.okino@gmail.com
Subject: *Submitted testimony for HB4 on Mar 31, 2017 09:30AM*

HB4

Submitted on: 3/29/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Suzy Okino	Individual	Support	No

Comments:

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From: [Maria De Lima](#)
To: [WAM Testimony](#)
Subject: HB 4 SD1 - Opposition - Hearing March 31, 2017 at 9:30 a.m. in room 211
Date: Wednesday, March 29, 2017 3:53:24 PM

My name is Maria De Lima.

I am the HR Manager for Hawaii Residency Programs, Inc.

Today is March 29, 2017

I am writing to the Senate Committee on Ways and Means ("WAM") to meet on This Friday, March 31, 2017, at 9:30 am in room 211.

I oppose HB 4 SD1 – Paid Sick Leave

Hawaii has consistently been ranked as one of the worst states in the entire country to do business by publications and organizations such as Forbes, CNBC, Business Insider, Chief Executive, and the Small Business and Entrepreneurship Council. Two significant reasons for why our state ranks so poorly in these studies has been the (1) high costs of doing business and (2) the regulatory climate in Hawaii. Clearly, at a time when Hawaii's economy is trying to avoid another devastating recession, it would be ill-advised to add further costs and regulations for Hawaii businesses.

Therefore, I must **oppose** for the following reasons:

Increased Costs Would be Bad for Hawaii's Economy

Businesses in Hawaii are already trying cope with significant increases to the state's minimum wage in recent years. Specifically, the minimum wage has increased from \$7.25 in 2014 to what will be \$10.10 per hour on January 1, 2018. This represents a 39.3% increase to the minimum wage in just four short years. In addition, as the only state in the nation with the Prepaid Health Care Act, employers are already spending thousands of dollars per year per employee for medical insurance – and this cost continues to increase as the price of medical insurance continues to rise.

Paid sick leave mandates would undoubtedly be another cost item because employers would be forced to pay employees for time that is not spent working. At this juncture, adding another cost item for Hawaii businesses while we are still in the middle of a significant minimum wage hike and increased health care costs would be severely detrimental for companies that are struggling to operate in Hawaii.

Employers will Pay Double for Labor

In line with increased costs, this bill would require many employers to pay double wages in situations where an employee takes time off from work and the company needs to find coverage for that individual.

Specifically, for certain occupations, employees can take time off from work without finding coverage (e.g. exempt employees). In other jobs, however,

companies need to find replacement workers when a worker cannot come to work. For example, employers in the retail and food service industries need to find replacements for employees who miss a scheduled shift. If paid sick leave is mandated in those instances, the company would need to pay one set of wages for the worker who is on sick leave and a second set of wages for the worker who is replacing the absent employee, which effectively means that the company will pay double for that particular shift.

One-Size-Fits-All Policies Don't Work

Without a doubt, no two businesses are exactly alike. The operational needs of different businesses both within and across various industries vary greatly. For instance, leave policies that may work for one company will not necessarily work for another. Therefore, most companies have different leave policies from another, and those policies have been developed, tweaked, and revised over time to meet the operational needs of the workforce.

In addition, most companies in Hawaii already provide sick leave in one form or another – whether it be through a sick leave plan, TDI, or PTO. For those companies, a law that legally mandates how sick leave should be provided by employers and used by employees simply does not make sense, especially if the same law needs to be applied by all companies. Other the other hand, some companies are simply not able to provide sick leave for one reason or another, and this bill will surely have a detrimental impact on their operations.

Loss of Employee Benefits & Reduction in Wages

Most employer have spent years refining their entire benefits packages, which includes all forms of leave, as well as vacation days, pay, retirement, and other benefits.

If employers are required to provide employees with a benefit that is not already part of the company's budget, that employer will have to make up the costs somehow, most likely by reducing other benefits or cost items. Employers do not have an unlimited amount of resources. Therefore, when companies need to pay for an additional new cost item, they will also have to take something away in order to find ways to cover the additional costs.

For instance, many employers already provide time off for employees in the form of Paid Time-Off (“PTO”) policies. PTO policies are preferable for employees for a number of reasons, but mainly because such leave can be taken for just about ANY reason. If employers are forced to provide paid sick leave in addition to PTO, the natural response would be to eliminate the corresponding amount of leave that is currently available under the PTO policy. This unintended consequence would actually be detrimental to employees, because they will be provided with a benefit that is less desirable.

In addition, pay increases or bonuses may also be eliminated or decreased if employers are required to find cost-cutting areas due to the increased cost of legally mandated sick leave.

Higher Costs for Goods and Services

Another way businesses may try to adjust their expenses for the increased costs due to legally mandated paid sick leave would be to increase the costs of their goods and services for consumers. Many companies, however, cannot raise their prices anymore because they may end up losing some customers in the process if they become “priced out of the market.”

Impact on Job Growth / Job Reduction

With added costs, employers will look to reduce their overhead in several ways. One method may be to reduce their employee count in order to run a leaner operation. Unfortunately, companies may not be able to avoid running their operations with a leaner workforce if the cost per employee continues to rise.

Employees Already Get Legally Mandated Paid Leave

For situations where an employee is physically unable to work due to an illness or injury, Hawaii law also provides wage replacement benefits in the form of workers' Compensation and TDI. Under the current system, employers are the ones who pay for the insurance premiums for workers' compensation and TDI.

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Bill Would Allow for Double Dipping

As drafted, the HB 4 SD1 would allow employees to double-dip their benefits by collecting paid sick leave from their employer while also collecting workers' compensation benefits at the same time.

No Employer Oversight & Potential for Abuse

The bill does not require employees to provide their employer with any form of proof or certification that they are indeed sick or need to care for a family member with a medical condition. Rather, they just need to inform their employer that they will be taking leave. No particular notice is even required. This could lead to severe abuse by employees, and employers would have no way to verify if leave taken under this measure was ever legitimate.

Additionally, although this bill provides that employees must exercise “good faith” and “reasonable efforts” when notifying their employer of the need for paid sick leave, the language of the bill does not provide any recourse for when an employee does not comply with these requirements. This could also lead to severe abuse by employees.

Section 2 of the Bill is Confusing

The bill provides that only employees who work more than 680 hours in a year would be eligible for paid sick leave. The bill does not, however, explain how this is to be calculated or even whether it is to be estimated at the beginning of the year or is triggered only after an employee has worked for 680 hours within the year.

Confidentiality Provision Seems Out of Place

Finally, it seems odd to include Section 5, which requires confidentiality and nondisclosure of medical information, when such information need not even be provided by an employee who is taking sick leave. Therefore, it is unlikely that an employee would provide their employers with a doctor's note if they are not required to do so.

Please take my request into consideration.

Sincerely,

Maria De Lima, MA/HRM
Human Resources Manager
Hawaii Residency Programs, Inc.
Phone: (808) 586-2891 Fax: (808) 586-2947
[*mdelima@hawaiiresidency.org*](mailto:mdelima@hawaiiresidency.org)

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From: [Barbie Dofa](#)
To: [WAM Testimony](#)
Subject: Senate Committee on Ways and Means - HB 4 SD1 on Friday, March 31, 2017 at 9:30 a.m. in Room 211
Date: Wednesday, March 29, 2017 2:47:22 PM

To Whom It May Concern,

I, Barbara Dofa (Director of Human Resources) from Napili Kai Beach Resort on Maui am not in support of HB 4 SD1 for the following reasons:

Paid Sick Leave (House Version) – HB 4 HD1

PAID SICK LEAVE TALKING POINTS

Hawaii has consistently been ranked as one of the worst states in the entire country to do business by publications and organizations such as Forbes, CNBC, Business Insider, Chief Executive, and the Small Business and Entrepreneurship Council. Two significant reasons for why our state ranks so poorly in these studies has been the (1) high costs of doing business and (2) the regulatory climate in Hawaii. Clearly, at a time when Hawaii's economy is trying to avoid another devastating recession, it would be ill-advised to add further costs and regulations for Hawaii businesses.

Therefore, we must **oppose** HB 4 SD1 for the following reasons:

Increased Costs Would be Bad for Hawaii's Economy

Businesses in Hawaii are already trying cope with significant increases to the state's minimum wage in recent years. Specifically, the minimum wage has increased from \$7.25 in 2014 to what will be \$10.10 per hour on January 1, 2018. This represents a 39.3% increase to the minimum wage in just four short years. In addition, as the only state in the nation with the Prepaid Health Care Act, employers are already spending thousands of dollars per year per employee for medical insurance – and this cost continues to increase as the price of medical insurance continues to rise.

Paid sick leave mandates would undoubtedly be another cost item because employers would be forced to pay employees for time that is not spent working, especially those employees working less than part-time hours. At this juncture, adding another cost item for Hawaii businesses while we are still in the middle of a significant minimum wage hike and increased health care costs would be severely detrimental for companies that are struggling to operate in Hawaii.

One-Size-Fits-All Policies Don't Work

Without a doubt, no two businesses are exactly alike. The operational needs of different businesses both within and across various industries vary greatly. For instance, leave policies that may work for one company will not necessarily work for another. Therefore, most companies have different leave policies from another, and those policies have been developed, tweaked, and revised over time to meet the operational needs of the workforce.

In addition, most companies in Hawaii already provide sick leave in one form or another – whether it

be through a sick leave plan, TDI, or PTO. For those companies, a law that legally mandates how sick leave should be provided by employers and used by employees simply does not make sense, especially if the same law needs to be applied by all companies. Other the other hand, some companies are simply not able to provide sick leave for one reason or another, and this bill will surely have a detrimental impact on their operations.

Loss of Employee Benefits & Reduction in Wages

Most employer have spent years refining their entire benefits packages, which includes all forms of leave, as well as vacation days, pay, retirement, and other benefits.

If employers are required to provide employees with a benefit that is not already part of the company's budget, that employer will have to make up the costs somehow, most likely by reducing other benefits or cost items. Employers do not have an unlimited amount of resources. Therefore, when companies need to pay for an additional new cost item, they will also have to take something away in order to find ways to cover the additional costs.

For instance, many employers already provide time off for employees in the form of Paid Time-Off ("PTO") policies. PTO policies are preferable for employees for a number of reasons, but mainly because such leave can be taken for just about ANY reason. If employers are forced to provide paid sick leave in addition to PTO, the natural response would be to eliminate the corresponding amount of leave that is currently available under the PTO policy. This unintended consequence would actually be detrimental to employees, because they will be provided with a benefit that is less desirable.

In addition, pay increases may also be eliminated or decreased if employers are required to find cost-cutting areas due to the increased cost of legally mandated sick leave.

Higher Costs for Goods and Services

Another way businesses may try to adjust their expenses for the increased costs due to legally mandated paid sick leave would be to increase the costs of their goods and services for consumers. Many companies, however, cannot raise their prices anymore because they may end up losing some customers in the process if they become "priced out of the market."

Impact on Job Growth / Job Reduction

With added costs, employers will look to reduce their overhead in several ways. One method may be to reduce their employee count in order to run a leaner operation. Unfortunately, companies may not be able to avoid running their operations with a leaner workforce if the cost per employee continues to rise.

Employees Already Get Legally Mandated Paid Leave

For situations where an employee is physically unable to work due to an illness or injury, Hawaii law

also provides wage replacement benefits in the form of workers' Compensation and TDI. Under the current system, employers are the ones who pay for the insurance premiums for workers' compensation and TDI.

No Employer Oversight & Potential for Abuse

The bill does not require employees to provide their employer with any form of proof or certification that they are indeed sick or need to care for a family member with a medical condition. Rather, they just need to inform their employer that they will be taking leave. No particular notice is even required. This could lead to severe abuse by employees, and employers would have no way to verify if leave taken under this measure was ever legitimate.

Additionally, although this bill provides that employees must exercise "good faith" and "reasonable efforts" when notifying their employer of the need for paid sick leave, the language of the bill does not provide any recourse for when an employee does not comply with these requirements. This could also lead to severe abuse by employees, which is why many employers currently ask for a doctors' note.

Section 2 of the Bill is Confusing

The bill provides that only employees who work more than 680 hours in the state in a year would be eligible for paid sick leave.

-

Thank you for reviewing my thoughts on why I do not support HB 4 SD1.

Me Ka Ha'aha'a (With Sincerity),
Barbara Dofa

Barbara Dofa, SPHR, SHRM-SCP
Director of Human Resources
Napili Kai Beach Resort | 5900 Lower Honoapiilani Road | Lahaina, HI 96761
808-669-9553 | www.napilikai.com

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 29, 2017 4:21 PM
To: WAM Testimony
Cc: biffmimi@yahoo.com
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/29/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Byron R Graper	Individual	Oppose	No

Comments: Is the cost of living in Hawaii high? You know the answer. Has anyone verified the assumptions behind this Bill? According to this Bill “Nationally, nearly forty per cent of private sector workers are without any paid sick leave.” According to the U S Bureau of Labor Statistics “Paid sick leave was available to 61 percent of private-industry workers and 89 percent of State and local government workers as of March 2009.” Before this Bill passes, someone should check all the assumptions that have been made. What will the cost to Hawaii taxpayers be to administrate this law? Has a nonpartisan analysis of economic, budgetary and social impact to this Bill been done? The University of Hawaii may be the place to go for this. Does this Bill solve the problem it is attempting to address? “...it is not uncommon for children to become sick. It has been estimated that parents of children in formal child care can expect an infant to be ill nine to ten times a year, and other preschool-aged children to be ill six to seven times a year” <https://aifs.gov.au/publications/family-matters/issue-34/missing-work-care-sick-children> This Bill does not provide nearly enough paid sick leave to cover the family and employee needs to be home with pay when someone is ill. This Bill legislates an employee raise that will increase the cost of living for Hawaii, which will negatively affect the lower income earners in Hawaii.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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HB 4, HD1, SD1
RELATING TO HEALTH.

Mandatory paid sick leave is detrimental to the success of small business's in Hawaii. Small business's will be forced to reduce other benefits. e.g. healthcare, vacation, holiday. In turn, we may require a doctor's note for each incident in order to qualify for mandatory sick benefits. This will result in poor employee morale and financial burden on the small business.

Charisse Lindsey
charisse@hyperspective.com
Phone: 808.386.7172

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 30, 2017 9:27 AM
To: WAM Testimony
Cc: nicole@ilgelato-hawaii.com
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/30/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Nicole	Individual	Oppose	No

Comments: My name is Nicole and my husband and I are the owners of IL Gelato Hawaii. I am a Clinical Psychologist and professional jobs are difficult to find in Hawaii so to make a living we started a small business here in Honolulu seven years ago. We make natural high quality gelato (ice cream) here in Hawaii and sell wholesale to restaurants and operate two retail locations. We have approximately 45 employees and most of them part time. We have plans to grow and to expand our business so that we soon will have over 50 employees. The proposed Bill HB4 will highly impact our payroll cost as we employ many part time workers. The proposed bill in addition to continued increasing minimum wages are a burden. In our gelato factory and stores we offer entry-level jobs to students and jobs to unskilled workers. If wages and associated payroll cost -introduced through mandatory paid sick leave - will increase significantly, we will have a problem to stay in business. We cannot pass additional cost to our customers. 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 food costs in Hawaii are the highest of the nation. Our rents are the highest of the nation. Energy and insurance cost are higher than anywhere else. It is very very difficult to operate a business in Hawaii. If payroll costs continue to increase so substantially we need to close our business, which would challenge our existence and we could no longer offer employment to many entry level or unskilled worker. I manage many young and unskilled people and it is difficult as it is. I strongly oppose to proceed with proposed bill HB4. Sincerely, Nicole Lueker

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From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 30, 2017 7:23 AM
To: WAM Testimony
Cc: Mauilady3@gmail.com
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/30/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Mary D Wagner	Individual	Support	No

Comments: I strongly urge you to pass this measure. All workers need paid sick leave, especially here in Hawaii because of the high cost of living.

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 29, 2017 9:31 PM
To: WAM Testimony
Cc: mikegolojuch808@gmail.com
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/29/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

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

Comments: I support HB4. As a member of the Labor Caucus, Democratic Party of Hawaii, I know we consider sick leave for all employees an important benefit. Please pass HB4.

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 29, 2017 8:47 PM
To: WAM Testimony
Cc: todd@hypersperspective.com
Subject: Submitted testimony for HB4 on Mar 31, 2017 09:30AM

HB4

Submitted on: 3/29/2017

Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Todd Robertson	Individual	Oppose	No

Comments: This bill is anti business. Hawaii is already the most difficult state in the country to do business, and this sort of Bill just makes it worse. I am the owner of a business in Hawaii and already offer good time off benefits to employees. Therefore, although I think time off benefits are an important offering, businesses must be allowed to provide leave of any kind as a benefit, and not a requirement by the state government. This will interfere with the operation of our business and our policies. It will also add another level of unneeded complexity to doing business in Hawaii. I strongly oppose this bill. If the members of this committee ever have run a business, I'm sure you would agree and oppose this bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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March 31, 2017

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **OPPOSITION TO H.B. 4, HD1, SD1, RELATING TO HEALTH.** Requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care. Takes effect 1/7/2059. (SD1)

HEARING
DATE: March 30, 2017
TIME: 9:30 a.m.
PLACE: Capitol Room 211

Dear Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

I oppose H.B. 4, HD1, SD1, which proposes to create a new section in state law that would require all employers to provide a mandatory minimum amount of paid sick leave for employees to care for themselves or a family member due to several reasons. H.B. 4 HD1, SD1 proposes that all employees who work in the State for more than eighty hours in a year shall have the right to paid sick leave and shall accrue a minimum of one hour of paid sick leave for every forty hours worked, further the measure states that employees shall not accrue more than forty hours of paid sick leave in a calendar year, unless the employer provides a higher limit. While GCA understands the intent of this measure, it proposes a mandate that could potentially impact the ability for a small business to operate and hire employees while also taking away the flexibility of any employer from using other methods of time off for employees.

In the construction industry, most employers provide their employees with a competitive wage and benefits package including vacation, medical, health and welfare and other incentives for retention purposes, however as written the bill would apply to all employees, even part-time workers. Further while the bill recognizes a possible waiver if a collective bargaining agreement (CBA) exists, the law would still apply to part-time workers that work over eighty hours in a year who may not be subject to a CBA. There are other ways in which an employee may be covered for days off due to illness, for example, temporary disability insurance is available absences due to illness. Further many employers provide sick leave benefits over and above the statutory requirement as an additional benefit. The proposed language in H.B. 4, HD1, SD1 would create an entire new system of mandating employers to provide sick leave benefits which could have a negative impact on businesses statewide and force some to let go of employees because of the inability to provide such a benefit.

For these reasons, I oppose this bill and request for its deferral.



Alan Shintani
President
Alan Shintani, Inc.

March 31, 2017

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **OPPOSITION TO H.B. 4, HD1, SD1, RELATING TO HEALTH.** Requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care. Takes effect 1/7/2059. (SD1)

HEARING


DATE: March 30, 2017
TIME: 9:30 a.m.
PLACE: Capitol Room 211

Dear Chair Tokuda, Vice Chair Dela Cruz and Members of the Committee,

I, Jennifer Shintani, as a small business owner, opposes H.B. 4, HD1, SD1, which proposes to create a new section in state law that would require all employers to provide a mandatory minimum amount of **paid** sick leave for employees to care for themselves or a family member due to a number of reasons. H.B. 4 HD1, SD1 proposes that all employees who work in the State for more than eighty hours in a year shall have the right to paid sick leave and shall accrue a minimum of one hour of paid sick leave for every forty hours worked, further the measure states that employees shall not accrue more than forty hours of paid sick leave in a calendar year, unless the employer provides a higher limit. While GCA understands the intent of this measure, it proposes a mandate that could potentially impact the ability for a small business to operate and hire employees while also taking away the flexibility of any employer from using other methods of time off for employees.

In the construction industry most employers provide their employees with a competitive wage and benefits package including vacation, medical, health and welfare and other incentives for retention purposes, however as written the bill would apply to all employees, even part-time workers. Further while the bill recognizes a possible waiver if a collective bargaining agreement (CBA) exists, the law would still apply to part-time workers that work over eighty hours in a year who may not be subject to a CBA. There are other ways in which an employee may be covered for days off due to illness, for example, temporary disability insurance is available absences due to illness. Further many employers provide sick leave benefits over and above the statutory requirement as an additional benefit. The proposed language in H.B. 4, HD1, SD1 would create an entire new system of mandating employers to provide sick leave benefits which could have a negative impact on businesses statewide and force some to let go of employees because of the inability to provide such a benefit.

For these reasons I oppose this bill and request for its deferral.


Jennifer Shintani
VP, Human Resources