

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

February 15, 2020

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways & Means

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2491 SD1 - Relating to Family Leave**

Hearing: February 20, 2020, 10:35 a.m.  
Conference Room 211, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports this measure. DHS defers to the Department of Labor and Industrial Relations regarding implementation and the amount of the necessary appropriation.

**PURPOSE:** Provides family leave insurance benefits and extends period of family leave to sixteen weeks for businesses that employs one or more employees who meet the hourly qualifications. Effective 7/1/2050. (SD1)

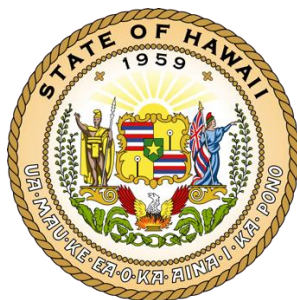
In 2016, the United States Department of Labor (US DOL) awarded the Hawaii State Commission on the Status of Women (HSCSW) a competitive grant. The US DOL Paid Leave Analysis grant program supported research and analysis to explore, develop, implement, and/or improve paid family and medical leave programs at the State and municipal levels. Through this grant, the HSCSW completed research in the following categories: economic analysis, eligibility, and benefit modeling; a feasibility and implementation study to carefully examine how a paid leave program could be successfully implemented on the state level; public polling of Hawaii residents; focus groups of mothers, fathers, family caregivers, unions, small businesses, and large businesses. Completed in September 2017, the research provided a wealth of data on how successful and financially solvent paid leave programs can be implemented, using Hawaii-specific data and employee information.

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

DHS has undertaken a multi-generational approach through its implementation of 'Ohana Nui, recognizing that Hawaii has the highest percentage of multi-generational households, the highest cost of housing, one of the highest costs of living, and the fastest growing population of individuals aged 65 and older. Our economy is reliant on a female and older workforce, precipitating a need to ensure our work place policies are reflective of this demographic. Paid family leave is associated with better health outcomes for children and mothers; an increase in children receiving well-baby check-ups and vaccinations; increased bonding with children; and an increase in elderly individuals being able to age in place with family caregiver support. Research on current state paid leave programs reveal evidence that paid leave ensures fathers' ability to provide care for their families; increases mothers' labor force participation; and furthers a narrowing of the gender wage gap.

Paid leave benefits families, communities, and the economy.

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



‘O kēia ‘ōlelo hō’ike no ke  
**Komikina Kūlana Olakino o Nā Wāhine**

Testimony on behalf of the  
Hawai‘i State Commission on the Status of Women  
**Khara Jabola-Carolus, Executive Director**

Prepared for the Senate Committee on WAM

In Support of SB2491 SD1

February 20, 2020, at 10:35 p.m. in Room 211

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

The Hawai‘i State Commission on the Status of Women supports SB2491 SD1, which provides gender-inclusive paid family leave and extends the period of family leave to sixteen weeks for businesses that employ one or more employees who meet the hourly qualifications.

In November 2017, the Hawai‘i State Commission on the Status of Women published the *Paid Family Leave Grant Analysis Report* (Grant Analysis) which was funded by a \$240,000 grant from the U.S. Department of Labor. The report was a comprehensive feasibility and implementation study with economic analysis and actuarial to determine paid leave costs to the state. The report’s cost and usage estimates were based on Hawai‘i numbers, as well as factors unique to Hawai‘i such as our high cost of living, high number of multi-generational households, and semi-privatized temporary disability insurance (TDI) system.

Six months after the Grant Analysis was published, the Legislature directed the legislative reference bureau and appropriated \$350,000 to conduct a sunrise analysis to lay the groundwork for the establishment of a paid family leave framework that would enable employees to access leave benefits during times when they need to provide care for a family member. On November 13, 2019, the Legislative Reference Bureau published the *Paid Family Leave Program Impact Study*, which included a comparative analysis of seven states that had enacted their own paid family and medical leave laws at the time of the request for the report.

Both studies concluded that sustainably-funded paid family leave is needed and affordable—the annual cost for 16 weeks of leave for a worker earning \$48,000 would be \$58. Unpaid family leave is not a realistic option in the event of a new child (biological, foster, or adopted), aging parent, or ailing loved one—58% of Americans have less than \$1000 in savings.<sup>1</sup> A lack of savings coupled with Hawai‘i’s low wages and high cost of living means local families are unable to utilize unpaid family leave, in cases where it is even available to them. Paid family leave will help families and help the economy, because families are socially and economically strengthened when 1) family leave is provided by an employer and 2) that family leave is paid leave.

Paid family leave is also an equal pay issue, and necessary to correct gender inequality. Women are expected to caregive for all generations across their lifespan. Mothers are even less likely than other women to participate in waged labor. Unpaid family leave is a significant driver of the gender wage gap, and a policy that forces financial dependency of women on men and the state. This is a direct cause of vulnerabilities unique to women that can lead to domestic violence and even sex trafficking. Current policy pushes women to quit their jobs or work part-time in order to caregive or undertake extreme physical, mental and financial stress.

Now is the time to lead. Politically, paid family leave has strong support from both Republicans and Democrats. In general, Democrats propose a shared fund paid into by employers and workers, while Republicans favor a tax incentive to employers that pay employees for leave. President Donald Trump has expressed support for paid family leave in every joint address to Congress since his election. This week, President Trump will use his State of the Union address to push for congressional action to provide paid family leave for all workers. National momentum is building but dramatic disagreement about approaches to paid family leave means that Congress is unlikely to pass a national policy any time soon. The effort is up to states.<sup>2</sup>

Accordingly, the Commission requests that the Committee SB2491 SD1.

Sincerely,

Khara Jabola-Carolus

---

<sup>1</sup> Huddleston, C. “58% of Americans Have Less Than \$1000 in Savings, Survey Finds,” May 15, 2019, <https://finance.yahoo.com/news/58-americans-less-1-000-090000503.html>.

<sup>2</sup> Holstrom, A., “Employment Law Forecast,” Massachusetts Employment Law Letter, Apr. 2017.

DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LIEUTENANT GOVERNOR



SCOTT T. MURAKAMI  
DIRECTOR

ANNE EUSTAQUIO  
DEPUTY DIRECTOR

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

830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813

[www.labor.hawaii.gov](http://www.labor.hawaii.gov)  
Phone: (808) 586-8844 / Fax: (808) 586-9099  
Email: [dlir.director@hawaii.gov](mailto:dlir.director@hawaii.gov)

February 20, 2020

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

Date: Thursday, February 20, 2020  
Time: 10:35 a.m.  
Place: Conference Room 211, State Capitol

From: Scott T. Murakami, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: S.B. No. 2491 S.D.1 RELATING TO FAMILY LEAVE**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This measure seeks to amend the Hawaii Family Leave Law (HFLL), Chapter 398, Hawaii Revised Statutes (HRS), by establishing a family leave insurance program in DLIR that would provide for partial wage replacement via the family insurance fund for up to sixteen weeks a year. The benefit amount ranges from fifty percent to ninety percent of the employee's average weekly wage up to a maximum of \$1,000 per week. The benefits can be used when the employee or currently unemployed individual is caring for themselves, their child, family member, or service member, and has a qualifying exigency.

Employees must have worked at least six months for an employer to qualify. A self-employed individual can qualify if the individual has opted into the program.

Employers contribute to the family insurance fund and can opt to take an employee contribution.

The measure also appropriates \$300,000 for 3 employees to administer the program.

The DLIR supports the intent of this measure, but opposes the current draft due to the fiscal and administrative impact. DLIR suggests the convening of a task force and is in the process of drafting a Concurrent Resolution to effectuate a task force.

**II. CURRENT LAW**

Chapter 398, HRS, provides four weeks of protected leave and if offered by employer, and allows ten days of accrued and available paid sick leave.

**III. COMMENTS ON THE HOUSE BILL**

According to an Executive Branch Workforce Profile by the Department of Human Resources and Development, there were 48,033 Hawaii State employees in the Executive Branch, Department of Education, University of Hawaii, and Hawaii Health Systems on June 30, 2019. Of this number, 8,666 employees were of child-bearing age (less than 20-34 years of age) and 15,199 employees were in an age range that could be considered to be care givers (age 55 and older). Based on these figures, the DLIR anticipates 30,000 claims annually exclusively for Hawaii State employees.

The measure appropriates \$300,000 for 3 employees. The DLIR estimates that it would require 121 staff to administer a family leave insurance program based on 30,000 claims. Section 398-3(b), HRS, allows the leave to be taken intermittently, therefore, if taken hourly, one person could take up to 640 one-hour leaves in a calendar year. Staffing is needed for employer account registration; contribution intake and processing; cashiering, delinquency, collection, monitoring, and compliance; trust fund monitoring and compliance; claims intake and adjudication; payment processing and disbursement, complaint intake and processing; hearings; information technology support; and administrative staff.

Program Management (5 Staff)	\$ 435,000
Claims Administration (71 Staff)	\$ 3,620,000
Program Support Specialist (40 Staff)	\$ 2,200,000
IT Staff (5 Staff)	<u>\$ 285,000</u>
 TOTAL (121 Staff)	 \$ 6,540,000 annually

Additionally, the DLIR's IT systems are antiquated, which would require appropriate funding to upgrade the systems to support the program. Moreover, the DLIR currently shares Keelikolani Building with the Department of Taxation and does not have the office space needed to house 121 additional employees and new technology. The DLIR notes that funding must also include annual custodial fees of 5% of gross revenues that the Department of Budget and Finance assesses on special funds for central services.

The Department notes that eligibility under this proposal would effectively be removing oneself from the active labor market and in direct conflict with the Unemployment Insurance eligibility requirement, which obliges the claimant to be able to work and available to work (AA). Thus, the person would be ineligible for unemployment benefits. The DLIR also notes that one provision would entitle a person to forty-two total weeks of benefits (pg. 16, lines 10-16).

The intent of Section 398-10 Applicability indicates that the legislature did not intend to

interfere with, “any employment contracts or collective bargaining agreements, to the extent that the contracts and agreements provide greater protections than those afforded under this chapter. Section 398-10(c) expressly states:

(c) To the extent the provisions of this chapter contradict or otherwise conflict with any contract rights or collective bargaining agreements in existence as of the date of this Act, the provisions that provide greater benefits to the employees shall control.

Therefore, the proposed amendments to 398-4 appear to contradict this statutory intent.

The measure provides a Family Leave Insurance Fund based on employer and employee contributions, but does not include a provision for the self-employed’s contribution rates. The Department would likely find it very difficult to verify the self-employed persons’ income even if the measure were amended to specify contribution rates, including contribution rates for the self-employed. The measure does not provide for start-up funding for administrative purposes or for employees whose employers are non-compliant or bankrupt.

The DLIR suggests that the taxable rate of the contribution be clarified to specify whether the measure refers to the rate of the contribution into the family leave insurance fund, or if it refers to the portion of the contribution that is taxable (pg. 5-6, lines 16 – 2).

The measure requires that this amount must be in accordance with the contribution rate to the temporary disability insurance fund (pg. 5-6, lines 20-2). While there is no such fund under the Temporary Disability Insurance Law, Chapter 392, HRS, there is a trust fund for disability benefits which was funded by employer contributions in 1969 based on the wages the employers paid during part of 1969. No levy has been assessed on employers since 1969.

The report to the Legislature includes information about premium rates, which is problematic as outlined in the two paragraphs proceeding this one.

Currently, Section 398-4(c), HRS, allows an employee to use up to ten days of sick leave for family leave purposes provided that if the employer uses sick leaves as its Temporary Disability Insurance benefit, but only the sick leave in excess of the minimum needed for Temporary Disability Insurance purposes is available for family leave purposes. The bill proposes the removal of this provision (pg. 14-15, lines 16-6; pg. 15-16, lines 12-3). If the intent is to disallow the use of sick leave for family leave purposes, it may be appropriate to also remove Section 392-41(b)(2), HRS, which states:

“If the benefits provided by the plan or agreement or extension or modification thereof include benefits falling within the

definition of “sick leave” as defined in section 398-1, any amount in excess of the minimum statutory equivalent, as determined by the department, may be used for the purposes of chapter 398.”

The proposed new section §398 Family leave insurance fund; family leave insurance benefits (c) (pg. 6, lines 3-12) requires, “The family leave insurance fund shall be under the control of and administered by the department.” Chapter 37, Part III Budgetary Control of Special Funds section 54 requires all special funds to be deposited in the state treasury, with a few exceptions.

The new section §398- Wage withholding references a “referee” (pg. 9, line 11), which is ambiguous as chapter 398 does not have a referee. The existing administrative and civil process to adjudicate disputes is outlined in §398-24 to §398-29.

The measure provides a maximum weekly benefit amount of \$1,000.00. Having a specified amount requires adjustments to future wage bases. DLIR’s Research & Statistics Division (R&S) adopts annual maximum weekly wage base and benefit amounts for the following programs: (1) Temporary Disability, (2) Workers Compensation, and (3) Prepaid Health Care.

In the proposal (pg. 10, line 16), a covered individual must meet the requirements of Section 392-25, HRS: “§392-25 Eligibility for benefits. An individual is eligible to receive temporary disability benefits if the individual has been in employment for at least fourteen weeks during each of which the individual has received remuneration in any form for twenty or more hours and earned wages of at least \$400, during the fifty-two weeks immediately preceding the first day of disability.”

As drafted, the measure would permit any individual meeting these requirements up to sixteen paid weeks of leave. Also, this requirement would be difficult to apply to individuals who do not have a disability date, such as those who need to take leave due to an exigency or to care for a service member.

The proposal appears to contemplate that the employee can take family leave for their own medical conditions. This conflicts with Chapter 398 as the personal medical condition of the employee is not covered (See §398-3, HRS).

Lastly, the DLIR is concerned that the proposed effective date of July 1, 2020 does not provide the necessary time to set up the program, hire staff, secure additional office space, and establish program administrative rules. Based on other states’ experience, there was a minimum of two years between adoption and implementation of the program.





AMERICANS FOR DEMOCRATIC ACTION

---

OFFICERS	DIRECTORS			MAILING ADDRESS
John Bickel, President	Melodie Aduja	Chuck Huxel	Stephen O'Harrow	P.O. Box 23404
Alan Burdick, Vice President	Juliet Begley	Jan Lubin	Lyn Pyle	Honolulu
Marsha Schweitzer, Treasurer	Ken Farn	Jenny Nomura		Hawai'i 96823
Doug Pyle, Secretary	Stephanie Fitzpatrick	Dave Nagaji		

---

February 15, 2020

TO: Chair Dela Cruz and members of WAM Committee

RE: SB 2491 SD 1 Relating to Family Leave

Support for hearing on February 20

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

We support SB 2491 SD 1 as it would establish family leave insurance benefits and extend the period of family leave to sixteen weeks for businesses that employs one or more employees who meet the hourly qualifications.

Working families on the national level lost \$20.6 billion in wages due to the lack of paid family leave; on the state level, they lost approximately \$2 billion in 2011 when caring for loved ones. These statistics show that lack of paid leave clearly has a negative effect on families and has the potential to force workers, especially those with low incomes, to choose between financial stability and care-giving duties.

When most people think of family leave, they think of care for infants. The 2017 Hawaii State Paid Family Leave Analysis Grant Report projects that almost 70% of the Paid Family Leave claims would be related to bonding and caring for a newborn.

Family leave is important for fathers. As seen in studies from states already providing Paid Family Leave Insurance, a lack of paid leave discourages men, especially fathers, from taking time off to care for family members. Thus, the responsibility of care-giving falls heavily upon women: on a national level, women make up approximately 75% of informal caregivers. Only 22% of women have employers offering paid maternity leave. Some mothers in the state of Hawaii may receive temporary disability insurance after giving birth, but this program solely covers the time needed to recover from complications from childbirth. It also fails to cover families adopting an infant.

Family leave for mothers pays multiple dividends. In a California study, women who took paid family leave were more likely to initiate breastfeeding and continue breastfeeding for longer periods of time than those who did not take paid family leave. Taking the leave decreases the risk of health problems for babies, which includes asthma, diabetes, eczema, and Sudden Infant Death Syndrome. It also decreases a mother's chance at developing breast and ovarian cancer,

diabetes, and hypertension after childbirth. Moreover, mothers in a New York survey were more likely to report experiencing depression in the year following the birth of their child if they took less than six weeks of leave and were more likely to report experiencing poor health if they took less than four weeks of leave. It is a testimony to the maternal benefits of paid family leave that women who take paid leave for bonding purposes are 40% less likely to use food stamps than women who return directly to work after childbirth.

This responsibility of caring for a child can negatively impact careers as 29% of women workers cite relinquishing a promotion, training, or assignment to care for a family member. Twenty percent report that they gave up full-time employment to become an informal caregiver. In Hawaii, 63% of children grow up in households in which both parents work, so it is likely that a woman will be both the caregiver of the family and a source of income as well.

While 70 percent of claims relate to infant care, the bulk of the rest of the claims are for elder-care. *Kupuna* are a cherished and growing part of the population. This segment of the population is on track to increase by 310% between 1980 and 2035. The “silver tsunami” of people over the age of 60 is expected to boost their share of the population to approximately 29% by 2040. Unfortunately, many workers struggle to care for the needs of their dependent and elderly family members.

While paid family leave is beneficial for parents and newborns alike, it also offers benefits to businesses as well. In a California study on the impact of paid family leave on both large and small businesses, employers reported that implementing the program increased their employee retention rate and thus helped them to save a total of \$89 million a year due to their lower turnover rates. In the study, the benefits of Paid Family Leave were especially seen in “low-quality” job industries, in which 83% of workers returned to their employer after taking paid family leave, 10% more than those who did not take paid family leave. Moreover, 89% of employers said that paid family leave had either a positive effect or no effect on their workers’ productivity and 91% reported no impact or a positive impact on their businesses’ performance and profitability. Perhaps surprisingly, small businesses with 100 or less employees were less likely to report negative effects than larger ones, possibly because these businesses already had well-established coping mechanisms to deal with employee absenteeism prior to the implementation of the paid family leave program.

Paid Family Leave Insurance is a very important benefit for infants, working mothers, caring fathers, *kupuna*, children of *kupuna*, employees, and probably employers. Of course the program is not free. Yet the benefits outweigh the costs

John Bickel





**Tom Jones, Chairman** – Gyotaku      **Greg Maples, Incoming Chair** – Pounders Restaurant  
**Paul Reynolds, Vice Chair** – Outback Steakhouse      **Dirk Koeppenkastrop, Secretary** – Il Gelato Hawaii  
**Tammy Fukugawa, Treasurer** – TS Restaurant      **Keli'i Gouveia, Past Chair** – Duke's Waikiki

---

**Sheryl Matsuoka**, Executive Director      **Leila Morinaga**, Executive Assistant      **Holly Kessler**, Director of Membership Relations

**2019 - 20 Board of Directors:**

Ben Dowling  
Dan Reid  
Dirk Koeppenkastrop  
Don Murphy  
Greg Maples  
Harold Watanabe  
Hide Dakurai  
Jonathan Burger  
Keli'i Gouveia  
Mariah Brown  
Michael Miller  
Pat Kashani  
Paul Yokota  
Tambara Garrick  
Tammy Fukagwa  
Tom Jones  
Tyler Roukema  
Wade Hashizume

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

From: Victor Lim, Legislative Lead  
Hawaii Restaurant Association

Subj: SB 2491 SD 1 Relating Family Leave

Date: February 16, 2020

The Hawaii Restaurant Association representing over 3,500 restaurants here in the state of Hawaii stands opposed to SB 2491 that would provide 16 weeks of paid family leave. For the many restaurants we represent, even though it is supposed to be a shared program, this will increase the costs of doing business in Hawaii exponentially.

We have not seen any study on the economic impact of such a generous proposal and the definite impact will be a huge hike to our mandated fees we pay along with prepaid health care, workman's comp., and SUI. Many of the businesses will not be able to afford this cost in this softening business climate.

We also need a minimum of active continuous work tenure of 52 weeks requirement for qualification for such a benefit.

Providing 16 weeks from the onset and expanding the definition of what qualifies under this program will also encourage abuse. Everyone that qualifies will take the full 16 weeks from the onset whether they need it or not. This will also be a major challenge for businesses to staff and cover the position in today's tight labor market.

We urge you to please do not pass this bill out of this committee and thank you for giving us this opportunity to share our concern.

**Allied Members:**

Biff Graper  
Dan Pence  
Doug Harris  
Gerda Tom  
Jason Wong  
Matt Rose  
Michael Griffith  
Naomi Azama  
Sharon Shigemoto  
Stevette Santiago

**Advisory Board**

Derek Conselva  
Heather Pence  
Jerry Agrusa  
John Richards  
Justin Yoshino  
Kehau Giles  
Lisa Tomihama  
Peter Bellisario  
Richard Turbin  
Sidney Higa  
Victor Lim





1050 Bishop St. PMB 235 | Honolulu, HI 96813  
P: 808-533-1292 | e: info@hawaiiifood.com

#### Executive Officers

**Joe Carter**, Coca-Cola Bottling of Hawaii, *Chair*  
**Charlie Gustafson**, Tamura Super Market, *Vice Chair*  
**Eddie Asato**, The Pint Size Corp., *Secretary/Treas.*  
**Lauren Zirbel**, HFIA, *Executive Director*  
**John Schlif**, Rainbow Sales and Marketing, *Advisor*  
**Stan Brown**, Acosta Sales & Marketing, *Advisor*  
**Paul Kosasa**, ABC Stores, *Advisor*  
**Derek Kurisu**, KTA Superstores, *Advisor*  
**Beau Oshiro**, C&S Wholesale Grocers, *Advisor*  
**Toby Taniguchi**, KTA Superstores, *Advisor*

---

TO:

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

FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: February 20, 2020  
TIME: 10:35am  
PLACE: Conference Room 211

RE: SB2491 Relating to Family Leave

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

This measure is not the right choice for our state.

The recently completed Paid Family Leave Program Impact Study Report looked at 16 Weeks of Leave under a TDI model as the absolute maximum and recommended that any program be implemented over two years but preferably longer. The original version of this measure would have taken effect in 6 months, this SD1 has a defective date, so our state's businesses currently have no idea when they would be expected to implement this very complex new program. The Study estimated that any program would create significant costs for the state. It also lacked some information that is critical to understanding exactly how any program will impact the state and the economy.

The September 2019 U.S. Bureau of Labor Statistics report on Employer Costs for Employee Compensation shows that,

“Employer costs for employee compensation averaged \$36.61 per hour worked in June 2019, the U.S. Bureau of Labor Statistics reported today. Wages and salaries averaged \$25.12 per hour worked and accounted for 68.6 percent of these costs, while benefit costs averaged \$11.48 and accounted for the remaining 31.4 percent.”<sup>1</sup>

In other words, nation wide wages and salaries only account for a little more than two thirds of the cost of employing someone, the remainder of the cost to the employer comes from providing things like leave and insurance. We believe in Hawaii this cost may even be higher because of our State’s expansive employer sponsored health care system.

Disability insurance requires a relatively small contribution from employees and employers because it is needed by relatively few people. Health insurance requires a larger contribution because benefits are accessed by more people. The program described in this measure has the potential to be used, and unfortunately possibly abused, by exponentially more people and could require an exponentially larger contribution from Hawaii’s employees and employers. How large is unknown because no comprehensive study has been done to provide that information.

Hawaii is consistently ranked as one of the worst states in the country to do business. The businesses that feed our communities already face a range of challenges including the high cost of labor and the large regulatory burden. Before we implement another program that may take money out of Hawaii employees pockets, drive up the cost of labor, and potentially lead to business closures, job losses, and higher prices, we need a more complete look at the full range of impacts of the program.

On the other hand, if the legislature is looking for common sense ways to bring down the cost of living for all Hawaii residents and provide relief for all Hawaii employees including ALICE families, removing our regressive tax on groceries would be an excellent way to start.

We encourage the legislature to go back to the drawing board allow time for additional study of leave options, and most importantly to engage with the businesses that drive our economy and would implement the program. We thank you for the opportunity to testify.

---

<sup>1</sup> [https://www.bls.gov/news.release/archives/ecec\\_09172019.pdf](https://www.bls.gov/news.release/archives/ecec_09172019.pdf)



## THE QUEEN'S HEALTH SYSTEMS

---

To: The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair  
Members, Committee on Consumer Protection and Commerce

From: Rowena Buffett Timms, Executive Vice President & Chief Administrative Officer, The Queen's Health Systems  
Colette Masunaga, Manager, Government Relations & External Affairs, The Queen's Health Systems

Date: February 17, 2020

Hrg: Senate Committee on Ways and Means Decision Making; Thursday, February 20, 2020 at 10:35 A.M. in room 211

Re: **Comments on SB2491 SD1, Relating to Family Leave**

---

The Queen's Health Systems (Queen's) is a not-for-profit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, 66 health care centers and labs, and more than 1,600 physicians statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to offer comments on SB2491 SD1, relating to family leave. The proposed measure provides family leave insurance benefits and extends period of family leave to sixteen weeks for businesses that employs one or more employees who meet the hourly qualifications.

Estimates from our Human Resources, suggest that the proposed bill will costs Queen's over \$1.7 million per year due to the 25% increase in leave benefit. Taking that estimate, and the backfill expense associated with covering lost productivity due to increased leave, in total, this measure would increase costs to Queen's by \$2.5 million annually. Queen's appreciates the intent of the measure, but would suggest clarification on the provisions of the bill and align it with federal law. Because we are self-insured, we would also appreciate provisions that would allow us to continue self-insurance.

Thank you for the opportunity to testify on 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.*



## of Hawaii

Hawaii State Senate Committee on Ways and Means  
Hearing Date/Time: February 20, 2020 10:35AM  
Place: Hawaii State Capitol, Room 211  
Re: Testimony in STRONG SUPPORT of SB2491 SD1

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

Members of AAUW of Hawaii are grateful for this opportunity to testify in support of SB2491 SD1, which would provide family leave insurance benefits and extend period of family leave to sixteen weeks.

AAUW works toward greater availability of and access to a high standard of benefits and policies that promote work-life balance including family leave. Without these policies, balancing the responsibilities of work and family can be difficult for employees, negatively impacting productivity, engagement, and wellness. According to Aloha United Way 2017 ALICE Report, 48% of Hawaii households are struggling to afford basic needs and if these families can barely make ends meet while working full-time, there is no way they could survive without pay. Without paid family leave, many workers will be forced to decide between taking care of a sick keiki or kupuna or livelihood.

The American Association of University Women (AAUW) of Hawaii is a state-wide organization made up of six branches (Hilo, Honolulu, Kauai, Kona, Maui, and Windward Oahu) and includes just over 650 active members with over 3800 supporters statewide. As advocates for gender equity, AAUW of Hawaii promotes the economic, social, and physical well-being of all persons.

Please pass this important measure and mahalo.

Younghee Overly  
Public Policy Chair, AAUW of Hawaii  
publicpolicy-hi@aauw.net

**SB-2491-SD-1**

Submitted on: 2/18/2020 9:34:01 AM

Testimony for WAM on 2/20/2020 10:35:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Laurie Field	Testifying for Planned Parenthood Votes Northwest and Hawaii	Support	No

Comments:



Statement Before The  
**SENATE COMMITTEE ON WAYS AND MEANS**

Thursday, February 20, 2020  
10:35 AM  
State Capitol, Conference Room 211

in consideration of  
**SB 2491, SD1**  
**RELATING TO FAMILY LEAVE.**

Chair DELA CRUZ, Vice Chair KEITH-AGARAN, and Members of the Senate Ways and Means Committee

Common Cause Hawaii provides comments in support of SB 2491, SD1 which provides family leave insurance benefits and extends the period of family leave to sixteen weeks for businesses that employs one or more employees who meet the hourly qualifications.

Common Cause Hawaii is a nonprofit, nonpartisan, grassroots organization dedicated to reforming government and strengthening democracy - one that works for everyone and not just the special interests.

Common Cause Hawaii understands that when every employee has paid time off to care for their families, the benefits flow to their families, communities, and our state as a whole. Paid family leave will create a program that works for all people, ensuring a healthy, vibrant democracy.

Thank you for the opportunity to comment in support of SB 2491, SD1. If you have further questions of me, please contact me at [sma@commoncause.org](mailto:sma@commoncause.org).

Very respectfully yours,

Sandy Ma  
Executive Director, Common Cause Hawaii

**SB-2491-SD-1**

Submitted on: 2/18/2020 9:47:17 AM

Testimony for WAM on 2/20/2020 10:35:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Patricia Bilyk	Testifying for Breastfeeding Hawaii	Support	No

Comments:

The Thirtieth Legislature  
Regular Session of 2020

STATE SENATE

Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair

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

Thursday, February 2020, 2020; 10:35 am.

**STATEMENT OF THE ILWU LOCAL 142 ON S.B. 2491, S.D.1 RELATING TO FAMILY LEAVE**

The ILWU Local 142 supports H.B. 2491, S.D.1, which provides family leave insurance benefits and extends period of family leave to sixteen weeks for businesses that employ one or more employees who meet the hourly qualifications.

Nearly every country provides some form of paid family leave except for the United States. Fortunately, a positive trend has been occurring with six states now offering paid family leave and even President Trump recently signed into law paid paternal leave for all federal workers.

Simply put, without paid family leave, workers in Hawaii and elsewhere do not have the financial ability to take time off from work to care for their children or sick family members. Fortunately, S.B. 2491, S.D.1 corrects that by providing workers the financial assistance needed to take time off from work to care for a newborn or sick family member.

Overall, S.B. 2491, S.D.1 is a positive step for all workers in Hawaii. One suggestion we have is to consider certain collective bargaining agreements that may currently provide paid family leave or a form of it so that this law doesn't interfere with those current benefits that exist.

The ILWU Local 142 recommends passage of S.B. 2491, S.D.1. Thank you for the opportunity to share our views on this matter.

# COMMUNITY ALLIANCE ON PRISONS

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

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



## COMMITTEE ON WAYS AND MEANS

Sen. Donovan Dela Cruz, Chair

Sen. Gilbert Keith-Agaran, Vice Chair

Wednesday, February 20, 2020

10:35 am – Room 211

### SUPPORT for SB 2491 SD1 - PAID FAMILY LEAVE

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

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai'i for more than two decades. This testimony is respectfully offered on behalf of the families of **JAMES BORLING SALAS, ASHLEY GREY, DAISY KASITATI, JOEY O'MALLEY, JESSICA FORTSON AND ALL THE PEOPLE WHO HAVE DIED UNDER THE "CARE AND CUSTODY" OF THE STATE**, including the eleven (11) people that we know of, who have died in the last six (6) months. We also remind the committee of the approximately 5,200 Hawai'i individuals living behind bars or under the "care and custody" of the Department of Public Safety on any given day, and we are always mindful that more than 1,200 of Hawai'i's imprisoned people are serving their sentences abroad thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Kanaka Maoli, far, far from their ancestral lands.

SB 2491 SD1 provides family leave insurance benefits and extends the period of family leave to sixteen weeks for businesses that employs one or more employees who meet the hourly qualifications.

Community Alliance on Prisons supports this bill. We are Hawai'i. We care for and about each other. Taking care of loved ones or newborn babies is elemental to who we are. We are happy to see this bill moving.

Paid family leave is used when you need to bond with a new child or care for a loved one. Eight states and D.C. have adopted a state paid family leave program. The United States is the only high-income country that doesn't offer paid leave. **Out of 41 countries, the US comes in last with 0 weeks of paid leave. Hawai'i has led the way in so many important policies, let this be the next one!**

According to the ALICE report (Aloha United Way 2017 ALICE Report) the majority of families in Hawai'i are "working families" who cannot afford to take unpaid leave long enough to cover their caretaking needs. Paid family leave alleviates economic instability for struggling families by ensuring job security and it helps employers by increasing worker retention and loyalty.

Experts on family leave insurance have studied the projected use, cost, and feasibility of implementation of a family leave insurance program for Hawai'i. These studies collectively found that a family leave insurance program in Hawai'i could provide sixteen weeks of leave to care for a new child or sick or injured family member, and would only cost around \$58/year to cover a worker making \$48,000 annually. Strengthening families is crucial to a strong Hawai'i!

Community Alliance on Prisons urges the committee to pass this measure. Mahalo nui for this opportunity to testify in support of our families!

Date: 18 February 2020

To: Chair Dela Cruz and Members of the Committee on Ways and Means

From: Early Childhood Action Strategy

Re: SUPPORT for SB 2491: Paid Family Leave

---

Early Childhood Action Strategy (ECAS), a statewide public-private collaborative working to improve the system of care for Hawai'i's youngest children and their families, writes in SUPPORT of SB 2491, which would provide up to 16 weeks of partial wage replacement for employees who are providing care for family members.

Currently, 42% of employees in Hawai'i's private sector lack paid leave, and low wage workers are the least likely to have access to a family leave program. Paid leave is associated with better health outcomes for children and mothers, an increase in children receiving well-baby check-ups and vaccinations, and stronger early childhood social and emotional development. Further, research on state paid-leave programs indicates that paid leave increases women's labor force participation and helps to narrow the gender wage gap.

Paid family leave also benefits businesses. In a California study, employers reported that implementing a paid leave program increased their employee retention rate and helped them save \$89 million a year in recruitment, training and other costs associated with staff turnover.

In sum, paid leave benefits families, communities and the economy.

Early Childhood Action Strategy supports this measure and encourages the Committee to support its passage. Thank you for the opportunity to provide this testimony.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

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

The Thirtieth Legislature, State of Hawaii  
The Senate  
Committee on Ways & Means

Testimony by  
Hawaii Government Employees Association  
February 20, 2020

S.B. 2491, S.D. 1 – RELATING TO FAMILY LEAVE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the general intent of a paid family leave program, including increasing the amount of time off, as proposed in S.B. 2491, S.D. 1, however we raise strong concerns over any legislation that creates an employee mandate to fund.

While we have historically supported the passage of a paid family leave program and recognize that it is long overdue, we must prioritize a thoughtful and systematic approach in the program's creation and implementation. As drafted, it is unclear how the family leave insurance program will be funded. We raise very strong concerns over the vague and ambiguous language on page 8, lines 19 – 21, which states:

"(a) an employer may deduct and withhold contributions from each employee of up to one-half the cost of providing family leave insurance benefits..."

What is the financial impact on the individual employee who works for a large employer, like the State of Hawaii and will this amount fluctuate over time based on usage? The cost implications for both employees and employers will be the determining factor on whether or not a statewide paid family leave can be implemented. Many of our members live paycheck to paycheck and will not be able to absorb an additional monthly payment, let alone one that can unexpectedly increase at any time. Further, our members currently utilize their negotiated vacation or sick leave days for family leave, so mandating an additional fee for government employees is not cost beneficial.

We understand the complexity in creating, funding, and maintaining a paid family leave program and want to be part of the solution. Therefore, we prefer further conversation with the various stakeholders to shape a paid family leave policy that works for everyone. Thank you for the opportunity to testify on S.B. 2491, S.D. 1.

Respectfully submitted,

Randy Perreira  
Executive Director



Pono Hawai'i Initiative

Josh Frost - President • Patrick Shea - Treasurer • Kristin Hamada  
Nelson Ho • Summer Starr

Wednesday, February 19, 2020

Relating to Family Leave  
Testifying in Support with Amendments

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) **supports with amendments SB2491 SD1 Relating to Family Leave**, which provides family leave insurance benefits and extends the period of family to sixteen weeks for a business that employs one or more employees who meet the hourly qualifications.

The United States is one of the only countries in the world that does not offer a federal paid family leave. The Family Medical Leave Act requires larger companies to offer unpaid leave for up to 12 weeks. The key here is unpaid. A family risks losing a paycheck if they take the leave. Taking care of a new child or a sick family member is emotionally, physically and financially taxing. Historically these tasks fall on to the female family member, disproportionately affecting women in the workforce. Being able to take adequate time off without worrying about losing a paycheck or the job itself is vital for families to stay afloat during these very stressful times.

As Hawaii's population continues to age, having supports in place for caregivers is going to become even more essential. Let's support Hawaii's families and give them a resource they badly need.

For all these reasons, we urge you to move this bill forward with a **clean effective date**.

Mahalo for the opportunity,  
Gary Hooser  
Executive Director  
Pono Hawai'i Initiative



**Testimony to the Senate Committee on Ways and Means  
Thursday, February 20, 2020 at 10:35 A.M.  
Conference Room 211, State Capitol**

**RE: SB 2491 SD1, RELATING TO FAMILY LEAVE**

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

The Chamber of Commerce Hawaii ("The Chamber") **does not support** SB 2491 SD1, which would provide family leave insurance benefits and extends the period of family leave to sixteen weeks for businesses that employ

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We appreciate and understand the intent of this bill to allow for paid leave in the workplace. However, we have concerns that this legislation is not a reasonable, manageable, or an affordable approach in addressing those needs, either from an employee or employer perspective, as well as from a one-size-fits-all approach.

We have significant concerns regarding the impact that this measure will have on the business community in the state. National rankings have continuously ranked Hawaii as having an extremely high cost of running a business. With every additional workplace mandate, the competitive distance is increased, which affects the ability for employers to sustain and create jobs, as well as provide benefits to workers.

We ask that the Committee consider the following points and implications on employers.

The bill changes the amount of family leave from four weeks to sixteen weeks for every twelve-month period, quadrupling the time that an employer is currently required to let an employee leave work. In addition to the increased leave time, the bill also expands the definition of what qualifies under the leave provision, increasing the likelihood of leave being taken. As a result, this creates a huge burden on an employer to try to find coverage for the absent





employee during this extended period of time. Employers may need to rely on other employees to help undertake additional responsibilities beyond their current job, which could result in decreased productivity and morale.

Furthermore, this bill also implies that employees will still be able to accrue benefits, particularly paid sick leave, vacation and additional benefits that are provided. The ability to accrue these benefits while on leave will create additional costs for employers. Employers will also still need to pay for other mandates such as taxes for each of their employees while on leave. Not to mention, the level of contributions proposed in this bill by the employee and employer are split into three different tiers based on the employee's average weekly wage. These changes will all lead to burdensome administrative or reporting requirements for employers that will be difficult for employers to oversee and comply with, especially for our smaller businesses.

The recent impact study on paid family leave that was released in November, still brought concerns on what exactly a possible paid family leave program in Hawaii would look like and cost. It was estimated that depending on which model the state adopts, it could cost as much as \$58 million to administer when considering states that offer up to sixteen weeks of paid time off. The study was also released in mid-November and revised in December, giving stakeholders and legislators roughly a month to fully digest and consider any recommendations or framework on a program before the start of the 2020 Legislative Session. Finally, we'd also note that the study stated that implementation of such a program would need to be later than the implementation date that this bill currently has.

Lastly, while we appreciate the Legislature indicating their intention to address the cost of living in our state through their proposed joint package of bills, we have concerns about what type of an impact to the business community that the proposed minimum wage increase included in the package could have if compounded with an implementation of a paid family leave program.

Many businesses offer paid leave programs as a means for attracting and retaining their workforce especially with our low unemployment rates. We need policies that will help Hawaii bring new businesses and support those in existence by encouraging businesses to adopt their own innovative paid leave programs rather than by placing yet another mandate on employers and businesses. Thank you for the opportunity to express our concerns.



# HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law & Economic Justice  
In Support of SB 2491 SD1 – Relating to Family Leave  
Senate Committee on Ways and Means  
Thursday, February 20, 2020, 10:35 AM, in conference room 211

---

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

Thank you for the opportunity to provide testimony in **SUPPORT** of **SB 2491, SD1**, which would provide family leave insurance benefits to qualified businesses and employees.

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

The United States is the only developed nation that doesn’t provide its workers with paid family leave.<sup>i</sup> The federal Family and Medical Leave Act provides employees with only *unpaid* leave, and more than 40 percent of private sector workers are not covered by it.

The Hawai‘i Family Leave Law provides only four weeks of *unpaid* leave and also fails to cover around 40 percent of the state’s workforce. Hawai‘i’s temporary disability insurance program offers partial wage replacement to workers recovering from illness or injury, including childbirth, but no job protection. It’s also not available to non-biological parents or to family caregivers.

Although some individual companies offer employees paid leave, this benefit is typically only available to higher-income workers. Nationally, only 6 percent of low-wage workers – those who truly have the greatest need for paid family leave – have access to it.<sup>ii</sup>

This lack of access to paid family leave has profound consequences for our working families. In Hawai‘i, two-thirds of children live in households where both parents work, and a quarter of live in households headed by a single parent, leaving no full-time caregiver at home.<sup>iii</sup>

That is why it’s crucial for Hawai‘i to put into place a strong financial safety net for the hard-working families who desperately need support when faced with serious family caregiving responsibilities.

Eight states and the District of Columbia have already adopted state-level paid family leave laws.<sup>iv</sup> Their programs operate under a social insurance system, with employees and/or employers across the state paying into a dedicated insurance fund. By spreading both risks and resources across all workers, this system provides benefits at a low per-person cost.

In order for such a program to be truly effective in Hawai‘i, it is important for a paid family leave program to also follow a similar social insurance model. Examples of a social insurance approach are programs like Social Security and Medicare. Experts from both the left and the right agree that this is the best way to reduce costs

---

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

to employers and overall administrative expenses, as well as prevent discrimination against those workers who are mostly likely to take leave. Even the right-leaning American Enterprise Institute prefers a social insurance program over an employer mandate to purchase family leave insurance or to self-insure<sup>v</sup>:

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

Creating a similar system in Hawai‘i would help keep workers, especially women, in the workforce, and at higher wages. It would also reduce reliance on public benefits.

Job-protected paid family leave provides job continuity, so workers are less likely to leave the labor force altogether. Research shows that mothers with access to family leave are more likely to return to work after the birth of a child and also more likely to return to the same or higher wages than they were earning before giving birth. In California, where the program has been in effect for over 15 years, mothers of small children were found to be working more hours and at higher average incomes than similar women were before the law was passed.

Studies also show that women who receive paid leave after the birth of a child are 39 percent less likely to rely on public assistance and 40 percent less likely to rely on food stamps than women who do not take paid leave, and this trend is also present in men.

A Hawai‘i statewide poll found that 94 percent of respondents had either a “very favorable” (60 percent) or “somewhat favorable (34 percent) perception of paid family leave. Nearly 6 in 10 (59 percent) said that they’d be willing to contribute a portion of their paycheck every month to a paid leave program, and the average amount that they said they’d be comfortable contributing is over \$41 per month. That is several times more than actuarial estimates of what such a system would cost in Hawai‘i,<sup>vi</sup> as well as the experience of the states that are already running paid family leave programs.

We appreciate your consideration of this testimony. We respectfully urge you to pass this bill.

---

<sup>i</sup> <https://www.pewresearch.org/fact-tank/2019/12/16/u-s-lacks-mandated-paid-parental-leave/>

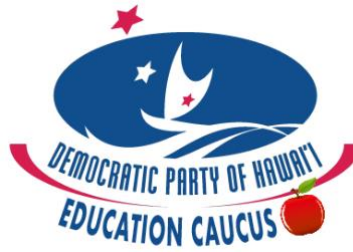
<sup>ii</sup> <https://www.healthaffairs.org/doi/10.1377/hpb20190301.484936/full/>

<sup>iii</sup> <https://datacenter.kidscount.org/data#HI/2/0/char/0>

<sup>iv</sup> <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/state-paid-family-leave-laws.pdf>

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

<sup>vi</sup> [https://www.dol.gov/wb/media/Hawaii\\_Report\\_Final\\_2.pdf](https://www.dol.gov/wb/media/Hawaii_Report_Final_2.pdf)



## **SENATE BILL 2491, SD1, RELATING TO FAMILY LEAVE**

FEBRUARY 20, 2020 · SENATE WAYS AND MEANS  
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

**POSITION:** Support.

**RATIONALE:** The Democratic Party of Hawai'i Education Caucus supports SB 2491, SD1, relating to family leave, which provides family leave insurance benefits and extends period of family leave to sixteen weeks for businesses that employs one or more employees who meet the hourly qualifications.

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

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

also unpaid leave. Moreover, Hawai'i has the fastest growing aging population in the nation. Our senior (age 65+) population is expected to grow 81 percent by 2030. Approximately 247,000 Hawaii workers are caregivers for a family member.

**This program would help Hawaii's businesses.** Family leave insurance increases worker retention and loyalty. Workers who have access to family leave benefits are more likely to return to work after their leave is over. In a 10-year study of the California family leave insurance program, businesses reported that family leave had either a positive or a neutral effect on their business. Small businesses were less likely than large businesses to report any negative effects.

**Providing paid time off for family caregiving strongly promotes gender equity.** Women are often disproportionately impacted by the lack of paid leave, as they are the primary caregivers of infants, children, and aging parents. The lack of paid family leave exacerbates the gender wage gap for women and adversely impacts the economic stability of both male and female caregivers.

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

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

It's a stark reality when employees face the dire choice of caring for newborn or sick children, spouses, or parents or working to sustain their family's income. We must offer a smart, affordable solution that empowers workers to care for their families, while saving their jobs.



Corey Rosenlee  
President

Osa Tui, Jr.  
Vice President

Logan Okita  
Secretary-Treasurer

Wilbert Holck  
Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS

RE: SB 2491, SD1 - RELATING TO FAMILY LEAVE

THURSDAY, FEBRUARY 20, 2020

COREY ROSENLEE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Dela Cruz and Members of the Committee:

The Hawaii State Teachers Association **supports SB 2491, SD1**, relating to family leave.

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

It's a chain reaction. Multiple families may be become infected. Entire classes may see their health and learning suffer. Providing paid family leave that may be extended to family members will break the cycle of illness by allowing families to care for themselves, their children, and their kupuna without loss of pay. We also note that women are disproportionately harmed by the lack of paid family leave. Inasmuch as women serve as primary caregivers for keiki and kupuna alike, the lack of paid family leave exacerbates the gender wage gap and the cycle of economic discrimination toward the women who comprise 59 percent of Hawai'i's workforce.

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



## SB 2491, SD1, RELATING TO FAMILY LEAVE

FEBRUARY 20, 2020 · SENATE WAYS AND MEANS  
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

**POSITION:** Support.

**RATIONALE:** IMUAlliance supports SB 2491, SD1, relating to family leave, which provides family leave insurance benefits and extends period of family leave to sixteen weeks for businesses that employs one or more employees who meet the hourly qualifications.

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

**Hawaii's workers need this benefit.** In a 2017 public poll, 62 percent of Hawaii respondents reported that they had wanted to take leave in the past in order to care for a new child or family member. Currently, Hawaii employees do not have a right to paid family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with up to 12 weeks for employers with 50 or more employees. The Hawai'i Family Leave Law (HFLL) applies to employers with 100 or more employees and allows up to four weeks. This is also unpaid leave. Moreover, Hawai'i has the fastest growing aging population in the nation. Our senior (age 65+) population is expected to grow 81 percent by 2030. Approximately 247,000 Hawaii workers are caregivers for a family member.

**This program would help Hawaii's businesses.** Family leave insurance increases worker retention and loyalty. Workers who have access to family leave benefits are more likely to return to work after their leave is over. In a 10-year study of the California family leave insurance program, businesses reported that family leave had either a positive or a neutral effect on their business. Small businesses were less likely than large businesses to report any negative effects.

**Providing paid time off for family caregiving strongly promotes gender equity.** Women are often disproportionately impacted by the lack of paid leave, as they are the primary caregivers of infants, children, and aging parents. The lack of paid family leave exacerbates the gender wage gap for women and adversely impacts the economic stability of both male and female caregivers.

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

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

It's a stark reality when employees face the dire choice of caring for newborn or sick children, spouses, or parents or working to sustain their family's income. We must offer a smart, affordable solution that empowers workers to care for their families, while saving their jobs.





**TESTIMONY OF TINA YAMAKI  
PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
February 20, 2020**

**Re: SB 2491 SD1 Relating to Family Leave**

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

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

The Retail Merchants of Hawaii is in **OPPOSITION** of SB 2491 SD1 Relating to Family Leave. This measure provides family leave insurance benefits and extends period of family leave to sixteen weeks for businesses that employ one or more employees who meet the hourly qualifications and is effective 7/1/2050

While we recognize the study done by the state on family leave and are concerned about employees' wellbeing, many employers already offer benefits that include significant paid time off to those employees who have earned it in addition to the mandated family leave for employees to care for their family who are ill and ensure that their jobs are secure when they return to work. Furthermore, Hawaii mandates medical insurance coverage for employees' healthcare.

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

Businesses are very sensitive to the finite price points customers are willing to pay. Retailers are sometimes not able to absorb all the costs associated with these types of government mandates and must pass the cost on by raising prices of goods and services. When that happens, some employee special benefits may no longer be offered (i.e. additional employee discounts); employees may be laid off or replaced with automation like self-check-out lines or in the worst cases businesses just close.

Retailers are already operating on a very thin margin. We are anticipating that there will be a jump in minimum wage. We are already seeing businesses struggling from the increase in tariffs, organized retail crime, cost for employee health care benefits, goods and services that impact operations. In the last 3 years alone, the media reported on over 80 retail companies throughout the state that have closed at least one if not all their locations in Hawaii. Since the new year alone, we have seen even more large well known and national retail stores shutting down their Hawaii operation. What is not reported are the small mom & pop stores who are also closing their doors because they too can no longer afford to operate here in Hawaii. Policy makers should be focusing on eliminating obstacles to business growth, job creation and economic stability and not adding additional costs that employers cannot afford.

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



## HIPHI Board

Michael  
Robinson, MBA, MA  
Chair  
Hawaii Pacific Health

JoAnn Tsark, MPH  
Secretary  
John A. Burns School of  
Medicine, Native Hawaiian  
Research Office

Kilikina Mahi, MBA  
Treasurer & Vice Chair  
KM Consulting LLC

Forrest Batz, PharmD  
Retired, Daniel K. Inouye  
College of Pharmacy

Debbie Erskine  
Kamehameha Schools

Keawe'aimoku  
Kaholokula, PhD  
John A. Burns School of  
Medicine, Department of  
Native Hawaiian Health

Mark Levin, JD  
William S. Richardson School  
of Law

Bryan Mih, MD, MPH  
John A. Burns School of  
Medicine, Department of  
Pediatrics

Rachel Novotny,  
PhD, RDN, LD  
University of Hawaii at Manoa,  
College of Tropical Agriculture  
and Human Resources

Garret Sugai  
Kaiser Permanente

Catherine Taschner, JD  
McCorriston Miller Mukai  
MacKinnon LLP

Date: February 19, 2020

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

Re: Support for SB 2491, SD1, Relating to Family Leave

Hrg: February 20, 2020 at 10:35 AM at Conference Room 211

---

The Obesity Prevention Task Force of the Hawai'i Public Health Institute<sup>i</sup> is in **Support of SB2491, SD1**, which will provide family leave insurance benefits for up to sixteen weeks for qualified employees.

It is time for Hawai'i to pass a strong family leave insurance program. 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, while also providing care to family members when they need it most.

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

“A robust body of evidence suggests that breastfeeding has multiple health benefits for infants, and that paid family leave (and other forms of maternity leave) significantly increases the length of time that mothers breastfeed. In a review and analysis of studies of breastfeeding in developed countries, the U.S. Agency for Healthcare Research and Quality found that full-term infants fed formula are at substantially greater risk than breastfed infants for acute ear infection, eczema, gastrointestinal infection, hospitalization for lower respiratory tract diseases in the first year of life, asthma, childhood obesity, Type 2 diabetes, leukemia, and sudden infant death syndrome (SIDS).<sup>iv</sup>”

Eight states and Washington, D.C. have passed similar legislation providing partial wage replacement for family and medical leave purposes. A 2011 study of California's family and medical leave insurance program estimated that it would save employers \$89 million per year.

Thank you for the opportunity to provide testimony in support.

Mahalo,



Jessica Yamauchi, MA  
Executive Director

---

<sup>i</sup> Created by the legislature in 2012, the Obesity Prevention Task Force is comprised of over 60 statewide organizations, and works to make recommendations to reshape Hawai'i's school, work, community, and health care environments, making healthier lifestyles obtainable for all Hawai'i residents. The Hawai'i Public Health Institute (HIPHI) convenes the Task Force and supports and promotes policy efforts to create a healthy Hawai'i.

Hawai'i Public Health Institute is a hub for building healthy communities, providing issue-based advocacy, education, and technical assistance through partnerships with government, academia, foundations, business, and community-based organizations.

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

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

<sup>iv</sup> [http://www.nccp.org/publications/pdf/text\\_1059.pdf](http://www.nccp.org/publications/pdf/text_1059.pdf)



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

**FROM:** Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

**DATE/LOCATION:** Thursday, February 20, 2020; 10:35 p.m., Conference Room 211

**RE: TESTIMONY IN SUPPORT OF SB 2491 SD 1– RELATING TO FAMILY LEAVE**

**We support SB 2491 SD 1 – Relating to family leave.** This bill would provide family leave insurance benefits and extend the period of family leave to sixteen weeks for businesses that employ one or more employees who meet the hourly qualifications. The benefits of this bill would be that it would allow Hawaii's working individuals and families to focus on both employment and caring for their families.

Everyone at some point in our lives will likely need to care for a family member. Paid Family Leave allows employees the time necessary to provide care for family members without jeopardizing their economic security. Currently, 247,000 individuals in Hawaii are already serving as caregivers and Hawaii has the fastest growing population over the age of 65 in the nation. A shared cost, state-run insurance benefit is an affordable solution for all businesses.

Many of Hawaii's working families are not afforded adequate amounts of paid leave causing financial hardship and increased dependency on public assistance during times of illness or caregiving. Low-wage workers are the least likely to have access to paid leave forcing them to choose between maintaining employment or caring for their families. A family leave insurance program could enable workers to retain employment while caring for family and help businesses retain key employees and remain competitive.

Paid family leave is often associated with increased benefits for employers, employees, families and the economy:

- Increased health outcomes for children and mothers
- Increased bonding between parents and children
- Increased elderly individuals being able to age in place with family caregiver support

- Increased employee retention
- Increased employee productivity and engagement
- Increased physical wellness
- Increased gender equity in the workplace
- Decreased dependence on public assistance

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii's not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 15,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 18 programs. Among its services are: early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, childhood sexual abuse supportive group services, child and adolescent behavioral health programs, sex trafficking intervention, poverty prevention and community building programs.

Thank you for the opportunity to share our comment regarding **SB 2491 SD 1**, please contact me at (808) 847-3285 or [rkusumoto@pacthawaii.org](mailto:rkusumoto@pacthawaii.org) if you have any questions.



Hawaii  
**Children's Action Network Speaks!**  
Building a unified voice for Hawaii's children

*Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.*

To: Senator Dela Cruz, Chair  
Senator Keith-Agaran, Vice Chair  
Senate Committee on Ways & Means

Re: **SB 2491- Relating to family leave**  
Hawai'i State Capitol, Room 211  
10:35, 2/20/2020

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

**On behalf of Hawai'i Children's Action Network Speaks!, I am writing in strong support of SB 2491 SD1, relating to family leave.** No one should have to choose between a paycheck and caring for their family. A paid family leave program financed through a payroll deduction is a simple and efficient way to guarantee everyone can be there for their loved ones in their times of need.

Every day our families must decide between being there for a family member or their paycheck. We have had unpaid leave laws in place since the federal government passed the Family and Medical Leave Act in 1993 and Hawaii passed the Hawaii Family Leave Law in 1992. Both of these laws only allow unpaid leave and both programs miss the majority of workers. Federal and state governments have occasionally considered paid family leave but now we are seeing the momentum to pass PFL laws increase. Eight states and Washington DC currently have a paid family leave program and numerous states across the country are looking to adopt their own programs. Hawaii has been researching paid family leave since 1989. **Within the last 5 years, the state has produced two studies on paid family leave and its impact on the state.** With decades of research behind us, it is time our state takes the next step and pass a paid family leave program.

What is family leave? Family leave is used when you need to care for a loved one or bond with a new child. Unlike our state's temporary disability insurance program, which is for recovery or recuperation for the employee, PFL is for caretaking. In states with a PFL program, most leaves are taken to bond with a new child, care for an ill spouse, or the end of life care for a parent. Everyone will need leave for caregiving at some point in their life.

PFL is especially important for states with a population that skews older, like ours. About 70 percent of the elderly rely solely on informal care from family or friends.<sup>1</sup> Often unseen, unpaid caretaking has a huge impact. **According to a 2015 study by AARP, family caregivers in Hawaii provided 144 million hours of care-worth an**

---

<sup>1</sup> Skira, M. (2012), "Dynamic Wage and Employment Effects of Elder Parent Care",  
<https://www.nber.org/programs/ag/rrc/rrc2012/papers/7.2%20Skira.pdf>



## Hawaii

### Children's Action Network Speaks!

Building a unified voice for Hawaii's children

**estimated \$2.1 billion in 2013.**<sup>2</sup> Additionally, the majority of caregiving is performed by women and so they are particularly impacted by unpaid leave. Paid family leave is attributed to women staying in the workforce post-pregnancy, having less need for public assistance, and increasing lifetime earnings because women are not leaving the workforce.

Paid family leave is good for business. Family leave helps increase worker retention and loyalty. Workers who have access to family leave benefits are more likely to return to work after their leave is over. **In a 10-year study of the California family leave insurance program, businesses reported family leave had either a positive or a neutral effect on their business**<sup>3</sup>. Small businesses were less likely to report any negative effects. We know our local small business owners treat their employees like family and would want to offer this benefit if they could. A state-run social insurance paid family leave program creates an affordable solution that helps small businesses retain employees without incurring the cost of replacing wages for employees out on leave.

**The social insurance program is the most affordable and efficient way to deliver these benefits.** All states that have passed a PFL program have social insurance as part of their program. Social insurance is a policy approach designed to achieve universal, affordable coverage for risks that are often expensive and sometimes infrequent. Typically, when financed by workers (and/or their employers), there is a statutorily defined share of each paycheck that is contributed throughout their careers in return for a benefit in times of need. Everyone contributes and everyone can take the benefit.<sup>4</sup> Our current TDI program is entirely private, an anomaly amongst the rest of the country. That means that there is no public option and each employer is responsible for finding and procuring private insurance. This approach is more costly and administratively more burdensome for the business, especially small business. **The most recent paid family leave study stated that most private plans increase the cost of the plan between 13% and 15%.**<sup>5</sup> Private plans also promote gender disparities, with the cost to insure women higher than men. Having a social insurance program does not mean employers could not add to benefits for their employees. Instead, it creates the floor for all other benefit programs to be built.

We know this can work in Hawaii. Top experts in the area of family leave studied usage, cost, and feasibility of implementation of a family leave insurance program for Hawaii<sup>6</sup>. These studies collectively found that family leave insurance is a necessary and cost-effective way for workers to take adequate time off of work to care for their families without facing financial ruin or jeopardizing their career. The program outlined in this measure is affordable and designed to be revenue-neutral to the State. The Institute for Women's Policy Research, which houses some of the nation's top experts on family leave, conducted an actuarial analysis using a simulation

---

<sup>2</sup> AARP Public Policy Institute "Valuing the Invaluable: 2015 Update", <https://states.aarp.org/hawaii-family-caregivers-provide-2-1-billion-in-unpaid-care-sc-hi-wp-advocacy>

<sup>3</sup> Applebaum, E. and Milkman, R. (2011) *Leave that pay: Employer and Worker Experiences with Paid Family Leave in California*. <http://cepr.net/documents/publications/paid-family-leave-1-2011.pdf>

<sup>4</sup> Benjamin W. Veghte, Alexandra L. Bradley, Marc Cohen, Heidi Hartmann, eds. (2019) *Designing Universal Family Care: State-Based Social Insurance Programs for Early Child Care and Education, Paid Family and Medical Leave, and Long-Term Services and Supports* <https://www.nasi.org/research/2019/designing-universal-family-care-state-based-social-insurance>

<sup>5</sup> Paid Family Leave Impact Study (2019) [https://lrb.hawaii.gov/wp-content/uploads/2019\\_PaidFamilyLeaveProgramImpactStudy.pdf](https://lrb.hawaii.gov/wp-content/uploads/2019_PaidFamilyLeaveProgramImpactStudy.pdf)

<sup>6</sup> Glynn, S.J and Hayes, J. (2017) *Hawaii Family Leave Insurance Analysis Report*. [https://d3n8a8pro7vhmx.cloudfront.net/goodbeginnings/pages/196/attachments/original/1521088022/Hawaii\\_Family\\_Leave\\_Insurance\\_Analysis\\_Report.pdf?1521088022](https://d3n8a8pro7vhmx.cloudfront.net/goodbeginnings/pages/196/attachments/original/1521088022/Hawaii_Family_Leave_Insurance_Analysis_Report.pdf?1521088022)



Hawaii  
**Children's Action Network Speaks!**  
Building a unified voice for Hawaii's children

model to study the use and cost of family leave insurance for Hawaii. **The study found that the annual cost to cover sixteen weeks of leave for a worker making \$48,000 would be around \$58.** That's only a little over one dollar per week. The low-cost and high-value of the program means we most move to make it a reality. Our workers can no longer wait.

There is renewed focus on working families this session and an abundance of research that reinforces what families have been saying for years, that every day is a struggle to survive. Many of the policies proposed focus on immediate improvements, things like minimum wage and tax credits that would put money back into families' pockets now. We should also remember that when life changing events occur, like having a baby or a cancer diagnosis for your spouse, that families' economic stability is put in jeopardy. If our families are struggling to make their day to day needs, they cannot prepare for and cannot weather a prolonged period without pay. We see our birth rate declining and we see our families leave (many to CA, WA, and OR-all who have a PFL program). We must take actions to help families now and in the future. Let us make the investment for our families still here and the ones we want to come home.

Because we want the program to work, we recommend adoption of the Department of Labor and Industrial Relations suggested appropriation and timeline of implementation, allowing DLIR to begin the process of building the program on July 1, 2020 but delaying collections until July 1, 2021 and pay outs from the program until July 1, 2022.

For these reasons, I respectfully request the committee vote favorably on SB 2491. Mahalo for the opportunity to testify.

Thank you,

Kathleen Algire  
Director, Public Policy and Research





**Lin Joseph**  
*State Director*  
*Maternal and Child Health &*  
*Advocacy and Government Affairs*  
*Hawaii*  
T (808) 973-2152  
hjoseph@marchofdimes.org  
**MARCHOFDIMES.ORG**

February 19, 2020

To: Honorable Donovan Dela Cruz  
Honorable Gilbert Keith-Agaran

From: Lin Joseph  
Director of Maternal & Child Health &  
Advocacy and Government Affairs  
March of Dimes Hawaii

Re: In strong support of  
**SB 2491 SD1**  
Hearing: Thursday February 20, 2020  
Conference Room 211, State Capitol

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

I am writing in strong support of SB 2491 SD1, Relating to Family Leave.

For more than 80 years, the March of Dimes has been a leader in maternal and child health. Our mission is to lead the fight for the health of all moms and babies.

The family leave insurance benefits proposed in SB 2491 SD1 would provide coverage for eligible employees for up to sixteen weeks for their own serious health condition, including pregnancy and childbirth recovery, or adoption, as well as the serious health condition of a family member.

The U.S. is the only industrialized nation that does not offer working mothers paid time off to care for a newborn child. Almost every worker in Hawaii will face the demands of having a baby, developing a serious illness, or needing to care for a sick loved one at some point in their lives. In those cases, retaining some level of income can mean the difference between being able to maintain stability and financial independence versus facing the challenges of having no income to support themselves and their loved ones.

A study of the economy-wide benefits of paid family leave programs in California and New Jersey, funded by the March of Dimes, found that implementation of a state paid family leave policy increases the labor force participation of mothers by six percentage points in the year of a birth,

February 19, 2020  
Honorable Donovan Dela Cruz  
Honorable Gilbert Keith-Agaran  
Page 2

effectively reducing birth-year maternal labor market detachment by 20 percent. Paid family leave increases women's labor market participation in the longer term as well. Up to five years after a birth, women who had access to paid family leave at the time of the birth are three to six percentage points more likely to be in the labor force. This represents a 20-50 percent reduction in maternal labor market detachment five years after a birth.<sup>1</sup>

In Hawaii, approximately 1 in 10 babies is born prematurely (before 37 weeks gestation). Many of these families will spend the first days, or weeks, or months of their child's life in a neonatal intensive care unit (NICU). The social, emotional and financial impact for these families is devastating. Paid leave can allow families to be a crucial member of their babies care team while in the hospital and to be present and prepared upon the transition to home. Paid leave is also associated with better birth outcomes and greater duration of breastfeeding.

March of Dimes supports passage of SB 2491 SD1 to provide family leave insurance benefits and extend the period of family leave to sixteen weeks.

Mahalo for your commitment to improving the health of women and children. I respectfully ask for your kokua in supporting SB 2491 SD1.

<sup>1</sup> "Maternal Labor Market Detachment: A role for paid family leave" by Kelly Jones and Britni Wilcher. American University Department of Economics Working Paper No 2019-07. The full research paper can be accessed here: <https://econpapers.repec.org/paper/amuwpaper/2019-07.htm>

**LATE**



Committee: Committee on Ways and Means  
Hearing Date/Time: Thursday, February 20, 2020, 10:35 a.m.  
Place: Conference Room 211  
Re: *Testimony of the ACLU of Hawai'i in support of S.B. 2491, S.D. 1, Relating to Family Leave*

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

The American Civil Liberties of Hawai'i (ACLU of Hawai'i) writes **in support of** S.B. 2491, S.D. 1, which would establish a social insurance program providing up to sixteen weeks of paid leave for workers to care for a new child or a seriously ill family member.

Paid family leave is, first and foremost, about equal opportunity for all. Nationally, women provide the majority of unpaid care at home, despite also being the primary breadwinner in 41 percent of families with children.<sup>1</sup> Though employees of large companies are afforded up to twelve weeks of *unpaid* leave by the federal Family and Medical Leave Act, this excludes 40 percent of the workforce. Many of those who are technically covered by FMLA are unable to afford to take unpaid leave,<sup>2</sup> but have no meaningful alternatives when faced with a pressing caregiving need. Without paid family leave, these workers face an impossible choice: keep their job or care for their family. And the risks are only exacerbated for women of color, who earn almost half for every dollar earned by white men — and who are less likely to receive paid family leave than other workers.<sup>3</sup>

---

<sup>1</sup> SJ Glynn, *Breadwinning Mothers Continue to Be the U.S. Norm*, Center for American Progress (May 10, 2019),

<https://www.americanprogress.org/issues/women/reports/2019/05/10/469739/breadwinning-mothers-continue-u-s-norm/>.

<sup>2</sup> See Bd. of Governors of the Fed. Reserve Sys., Report on the Economic Well-Being of U.S. Households in 2017 at 2 (May 2018), <https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf> (finding that four out of ten adults do not have access to \$400 at any given time).

<sup>3</sup> Ann P. Bartel, Soohyun Kim, Jaehyun Nam, Maya Rossin-Slater, Christopher Ruhm, and Jane Waldfogel, "Racial and ethnic disparities in access to and use of paid family and medical leave: evidence from four nationally representative datasets," *Monthly Labor Review*, U.S. Bureau of Labor Statistics, January 2019, <https://doi.org/10.21916/mlr.2019.2>.

American Civil Liberties Union of Hawai'i  
P.O. Box 3410  
Honolulu, Hawai'i 96801  
T: 808.522-5900  
F: 808.522-5909  
E: [office@acluhawaii.org](mailto:office@acluhawaii.org)  
[www.acluhawaii.org](http://www.acluhawaii.org)

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

February 20, 2020

Page 2 of 2

Paid family leave is an important civil rights issue, and should be guaranteed to all workers regardless of income level or employer size. For these reasons, the ACLU of Hawai'i requests that the Committee support S.B. 2491, S.D. 1.

Sincerely,



Mandy Fernandes

Policy Director

ACLU of Hawai'i

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

---

American Civil Liberties Union of Hawai'i  
P.O. Box 3410  
Honolulu, Hawai'i 96801  
T: 808.522-5900  
F: 808.522-5909  
E: [office@acluhawaii.org](mailto:office@acluhawaii.org)  
[www.acluhawaii.org](http://www.acluhawaii.org)



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**LATE**

**HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211  
THURSDAY, FEBRUARY 20, 2020 AT 10:35 A.M.**

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

**TESTIMONY IN OPPOSITION TO SB2491 RELATING TO FAMILY LEAVE**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, with approximately 650 members. I am writing share our opposition to SB2491.

The Maui Chamber of Commerce opposes this bill to provide family leave insurance benefits and extends the period of family leave to sixteen weeks for businesses that employ one or more employees. Employers are already hit with many government mandated expenses that add to the high cost of doing business in Hawaii. Generally, businesses already provide paid time off and sick leave, among other employee benefits. This bill would add multiple additional expenses to the business as employers would have to contribute to the family leave insurance program and deal with the extreme burden when an employee has to take family leave. At a time when the Legislature is already looking at raising the minimum wage, businesses cannot afford another government mandate.

Further, not only would this hurt businesses, but employee contributions take money out of employees pockets.

Therefore, we oppose this bill and ask that it be deferred. We appreciate the opportunity to testify on this matter.

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 Women's Coalition

**LATE**

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

Re: **SB 2491 SD1- Relating to family leave**  
Hawai'i State Capitol, Room 211  
10:35AM, 2/20/2020

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

Thank you for the opportunity to testify on Senate bill 2491 SD1, relating to family leave. The Hawaii Women's Coalition has been a champion of paid family leave since the beginning. Women, as primary caregivers of infants, children and elderly parents, are affected disproportionately by the unavailability of paid family leave. Access to paid family leave makes mothers more likely to return to work after the birth of a child, makes women return to work more quickly, and makes women more likely to return to the same or higher wages than they were earning before they gave birth. Women who take paid parental leave and return to work are 39% less likely to receive public assistance and 40% less likely to receive food stamps than women who do not take paid leave and return to work. Paid family leave will improve the lives of women substantially.

The typical worker cannot afford to take unpaid leave to care for their family, and most are not offered paid leave through their jobs. 48% of Hawai'i households are struggling to afford basic needs (Aloha United Way 2017 ALICE Report). If families can barely make ends meet while working full-time, often multiple jobs, there is no way they could survive without pay for a prolonged period of time. Paid family leave is an affordable, easy to administer way to keep families afloat during their times of need and help our communities thrive.

Paid family leave is used when you need to care for a loved one or bond with a new child. Eight states and DC of adopted a state paid family leave program. The United States is the only high-income country that doesn't offer paid leave. Out of 41 countries, the US comes in last with 0 weeks of paid leave. Nationally, 1 in 4 women go back to work 10 days after giving birth. If we value families, we need to create policies that support them. No one should be forced to make impossible choices between caring for the people we love and earning the money we need. With a paid family program we can ensure that families have the financial stability they need when life happens.

A state-run, social insurance program gives small businesses an affordable opportunity to provide paid family leave to their employees and remain competitive with larger companies. In a 10-year study of the California family leave insurance, businesses reported that family leave had either a positive or a neutral effect on their business. Small businesses were less likely to report any negative effects.

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

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

Hawaii Women's Coalition

**SB-2491-SD-1**

Submitted on: 2/15/2020 8:38:06 AM

Testimony for WAM on 2/20/2020 10:35:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Caroline Kunitake	Individual	Support	No

Comments:

Dear Chair Dela Cruz and Members of the Committee on Ways and Means,

I am writing in support of SB2491 SD1.

With the rising of cost of living, we need to help working families by establishing a family leave insurance program and extending family leave to sixteen weeks.

Please pass this bill.

Mahalo,

Caroline Kunitake

**SB-2491-SD-1**

Submitted on: 2/18/2020 10:17:27 AM

Testimony for WAM on 2/20/2020 10:35:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Vickie Parker Kam	Individual	Support	No

Comments:

Thank you for this hearing and allowing testimony.

I am writing in strong support of SB2591 SD1. We need a comprehensive family leave policy to allow people to still survive during a family emergency or situation. This will support and allow for a healthier state population.

Mahalo, Vickie Kam



**SB-2491-SD-1**

Submitted on: 2/18/2020 3:37:15 PM

Testimony for WAM on 2/20/2020 10:35:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Alana Busekrus	Individual	Support	No

Comments:

As a kama'aina, nurse, diabetes educator, and mother of four daughters, I am a strong believer in the importance of strong and healthy beginnings. I strongly support a family leave insurance program. Paid time off for families helps promote mother-child bonding and can even encourage new mothers to establish breastfeeding, well known to be a protective factor against obesity. Breastfed babies are also noted to have substantially lower rates of infections of the ears, gastrointestinal tract and respiratory tract, lower rates of SIDS, leukemia, asthma, childhood obesity, and diabetes. Thank you for helping to make Hawaii a healthier state, starting from the beginning, from birth!

**SB-2491-SD-1**

Submitted on: 2/18/2020 3:57:13 PM

Testimony for WAM on 2/20/2020 10:35:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Carter Barto	Individual	Oppose	No

Comments:

this is a terrible idea, we do not need to add to the cost of living by taking away more from the paycheck and/or asking the business to increase their cost.