

SB-308-SD-1

Submitted on: 2/20/2019 12:46:19 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

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

Comments:

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

Written Comments

SB308 SD1 RELATING TO FAMILY LEAVE

Charlotte A. Carter-Yamauchi, Director
Legislative Reference Bureau

Presented to the Senate Committee on Ways and Means

Thursday, February 21, 2019, 10:00 a.m.
Conference Room 211

Chair Dela Cruz and Members of the Committee:

Good afternoon Chair Dela Cruz and members of the Committee, my name is Charlotte Carter-Yamauchi and I am the Director of the Legislative Reference Bureau. Thank you for providing the opportunity to submit written comments in support of S.B. No. 308, S.D. 1, Relating to Family Leave.

The purpose of this measure is to extend the report submission deadline established under Act 109, Session Laws of Hawaii 2018, from September 1, 2019, to no later than December 2, 2019:

The Bureau submits the following comments for your consideration.

As you know, in 2018, the Legislature enacted Act 109, Session Laws of Hawaii 2018, (Act 109), which directed the Legislative Reference Bureau to conduct a sunrise analysis to determine the impacts of the establishment of a paid family leave program on industry, consumers, employees, employers, and care givers prior to choosing a model or framework that will work best for Hawaii's workforce. The intent of Act 109 was to lay the groundwork for the establishment of a paid family leave framework that will enable all employees to access leave benefits during times when they need to provide care for a family member. Act 109 also authorized the Legislative Reference Bureau to contract the services of a consultant without regard to chapter 103D, Hawaii Revised Statutes, and required the Bureau to submit a report on its findings and recommendations to the Legislature by September 1, 2019.

Upon the enactment of Act 109, the Legislative Reference Bureau proceeded to implement this legislative directive and subsequently crafted and issued a request for proposals to conduct the analysis. After the bid submission deadline occurred, the Bureau determined that, to ensure that any work product produced by the contractor include direct consultation with potentially affected state agencies and that the contracted work product be unbiased, it was in the best interest of the State to cancel the original request for proposals and to issue a new, amended request for proposals. The new request for proposals includes specific requirements that: the selected contractor directly consult with potentially affected state agencies; and if the contractor employs or subcontracts any portion of the analysis to a person or entity that has or is perceived to have a vested interest in the recommendations or outcome of the analysis, an explanation be provided on how any appearance of actual or perceived bias would be mitigated by the contractor.

Due to the cancelation of the original request for proposals and reissuance of an amended request for proposals, the Bureau believes it will be extremely difficult, given the remaining timeframe and the Bureau's heavy workload during session, for the Bureau to sufficiently evaluate and execute a contract for the analysis and provide a selected contractor with adequate time to conduct a thorough analysis by the September 1, 2019, submission deadline. Consequently, the Bureau finds that, in order to ensure that the Bureau and any selected contractor are provided with adequate time to produce a thorough and unbiased analysis as contemplated under Act 109, additional time is required for the Bureau to complete the task assigned to it under Act 109.

Thank you again for the opportunity to submit written comments in support, and we respectfully ask for your favorable consideration of this measure.



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

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

FROM: Pedro Haro, PHOCUSED Advocacy Director

SUBJECT: Testimony in Support of SB 308, SD1 RELATING TO FAMILY LEAVE

Hearing: Thursday, February 21, 2019
10:00 AM
Conference Room 211

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

Thank you for the opportunity to testify in support of SB 308, SD1. I am Pedro Haro, Advocacy Director for PHOCUSED.

PHOCUSED supports SB 308, SD1, with amendments. The bill currently has a deadline of 12/2/2019 for completion of the Paid Family Leave Study. We believe this is too late of a date in order to be ready for the 2020 session. Therefore, we ask that the deadline be changed 11/13/2019.

PHOCUSED is a nonprofit, nonpartisan organization dedicated to increasing the safety for, visibility of, and investment in the children and adults in Hawaii who are marginalized, impoverished, and under-served. Our organization has been a leading voice in advocating for families since our formation, as the membership of PHOCUSED and our Board of Directors represent many of the major health and human service providers and peer organizations dedicated to serving the vulnerable populations across our state. As such, PHOCUSED is proud to support SB 308.

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



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

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This family leave insurance program would provide much needed support for employees who need to take time off to care for their family. Those who are low-income, in particular, are especially vulnerable to loss of wages or employment at a critical time in their families. This bill would provide paid leave from work to care for a new child or sick family member. The vulnerable populations for which PHOCUSED has worked to improve their well-being, fall into this group that needs this resource. It allows workers to take adequate time off of work to care for their families without facing financial ruin or jeopardizing their career.

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

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

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

Thank you for the opportunity to submit testimony in support of SB 308, SD1.

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



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
In Support, with amendments, of SB 308 – Relating to Family Leave
Senate Committee on Ways and Means
Thursday, February 21, 2019, 10:00 AM, 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 with AMENDMENTS, of **SB 308 SD1**. This bill extends the deadline for the LRB to submit a sunrise analysis of a Hawai'i paid family leave program from 9/1/2019 to 12/2/2019.

With the year-end holidays and the next legislative session starting on January 15, 2020, the new deadline proposed in SB 308 SD1 seems to be too late for legislators to consider the analysis' results and prepare adequately for the 2020 session. So, we request that the committee **amend SB 308 SD1 to adopt an earlier deadline of 11/13/19**, which is the date specified in SB 293.

It is important that the legislature be ready to have a robust and well-informed discussion of paid family leave during the 2020 session. The lack of access to paid leave has profound consequences for our working families. In Hawai'i, 7 in 10 children live in households where both parents work, and over a quarter of children live in households headed by a single parent, leaving no full-time caregiver at home.

Meanwhile, the population of Hawai'i is both older than that of the U.S. as a whole, and is aging faster. More and more families are facing the challenges of caring for their kūpuna, and their numbers will continue to grow.

Although some individual companies offer employees paid leave, this benefit is typically only available to high-income workers. Paid leave is generally unavailable to the low-wage workers who truly have the greatest need for it.

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. Receiving the results of the sunrise analysis with enough lead time before the start of the 2020 session is an important first step towards that goal.

We appreciate your consideration of this testimony.

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.

February 20, 2019

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

From: Laura Nevitt, Director of Public Policy
Hawaii Children's Action Network

Re: **S.B. 308-- Relating to Family Leave**
Hawaii State Capitol, Room 211 , February 21, 2019, 10:00 AM

HCAN is committed to improving lives and being a strong voice advocating for Hawai'i's children. We write in SUPPORT, with amendments to SB 308. which would extends the deadline for the Legislative Reference Bureau to submit the sunrise analysis required by Act 109, Session Laws of Hawaii 2018, from 9/1/2019, to 12/2/2019. (SD1). With the year-end holidays and the next legislative session starting on January 15, 2020, the new deadline proposed in SB 308 seems to be too late for legislators to consider the analysis' results and prepare adequately for the 2020 session. So, we request that the committee amend SB 308 to adopt the earlier deadline of 11/13/19 that's contained in Chair Taniguchi's SB 293.

Paid Family Leave is vital to our working families. It is a necessary and affordable benefit that promotes worker retention, economic stability for working families, gender equity in the workplace, and positive infant health outcomes.

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

Hawaii has the fastest growing aging population in the nation. Our senior (age 65+) population is expected to grow 81 percent by 2030. Approximately 247,000 Hawaii workers serve as the primary caregivers for a family member.

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

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

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

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

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 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.

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. This bill provides a smart, affordable solution to enable workers to take a small number of weeks out of the workforce and not have to face the impossible choice between their family member's health and their income or jobs.

It is important that this study get done so that we can move forward on enacting legislation to help our working families in Hawaii.

For these reasons, HCAN respectfully requests that the committee pass this bill, with amendments.

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

SB-308-SD-1

Submitted on: 2/20/2019 4:51:02 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Kunitake	Individual	Support	No

Comments:

Aloha,

Please support SB308 SD1. Please extends the deadline for the Legislative Reference Bureau to submit the sunrise analysis required by Act 109, Session Laws of Hawaii 2018, from 9/1/2019, to 12/2/2019. (SD1)

Mahalo,

Caroline Kunitake



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 21, 2019 AT 10:00 A.M.**

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

TESTIMONY IN SUPPORT OF SB 308 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 support of SB 308.

The Maui Chamber of Commerce supported Act 109 and the study on the impacts of family leave. We feel it is important that legislators understand the impacts before adding further burdens onto the business community and believe this study is greatly needed. Therefore, we request that this extension be granted to the Legislative Reference Bureau.

However, we have concerns on whether enough time has been allowed for the Legislative Reference Bureau to adequately accomplish the task, given the short 3 month extension. We are also concerned that they have expended time and resources on an incomplete RFP that didn't include all appropriate situations that has led to organizations going through the time and expense to submit a bid that now cannot be accepted.

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

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.

LATE

SB-308-SD-1

Submitted on: 2/21/2019 3:01:37 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Testifying for Hawaii Women's Coalition	Support	No

Comments:



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

We are in full support of this measure, but we request that the committee amend SB 308 SD1 to adopt an earlier deadline of 11/13/19. December is far too late to get legislation prepared for the 2020 Session. We feel that women and our families have waited long enough for some relief from the onerous threats to economic security they face when it is necessary to care for family members at home.

Mahalo,

Ann S. Freed, Co-Chair Hawaii Women's Coalition

LATE

SB-308-SD-1

Submitted on: 2/21/2019 10:27:41 AM

Testimony for WAM on 2/21/2019 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mitzie Higa	Testifying for Hawaii State Teachers Association	Support	Yes

Comments: