

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 496  
H.D. 1  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 496, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to address family leave for employees.

More specifically, the measure:

- (1) Requires the Office of the Lieutenant Governor and the Department of Labor and Industrial Relations to have an actuarial study conducted and a subsequent report submitted to the Legislature on the cost and impacts of implementing a family leave insurance program that provides an employee with up to twelve weeks of paid family leave per calendar year; and
- (2) Appropriates funds for the conduct of the study.

Your Committee received written comments in support of this measure from Catholic Charities Hawaii, ILWU Local 152, PHOCUSED, and one individual. Written comments in opposition were received from Retail Merchants of Hawaii.

Prior to the hearing on this measure, your Committee circulated a Proposed Senate Draft 2 (Proposed Draft). In



addition to retaining the provisions of Senate Draft 1, the Proposed Draft adds a new section to chapter 388, part I, Hawaii Revised Statutes, to require a company with fifty or more service worker employees to allow those employees to:

- (1) Earn and utilize paid sick leave at a rate of at least one hour of paid sick leave for every forty hours worked, up to a maximum of forty hours per calendar year; and
- (2) Carry over up to forty hours of unused earned paid sick leave for the current calendar year to the following calendar year.

The Proposed Draft takes effect on July 1, 2015.

Your Committee received written comments in support from the Hawaii State AFL-CIO and two individuals. Written comments in opposition were received from The Chamber of Commerce of Hawaii and ten individuals. The Department of Labor and Industrial Relations submitted written comments on the measure.

Your Committee finds that Hawaii's working families are not adequately supported during times of caregiving and illness, and that the majority of Hawaii's workforce cannot afford to take unpaid leave to provide care for a newborn, bond with a new child, or care for a family member with a serious health condition.

Your Committee also finds that women are often the primary caregivers of infants, children, and elderly parents. Thus, women are affected disproportionately by the unavailability of paid family and medical leave. Your Committee further finds that paid sick leave does not currently extend to most part-time food service workers.

Your Committee believes that conducting an actuarial study on the impacts of establishing and implementing a family leave insurance program would provide important information to assist the Legislature in designing an effective paid family leave insurance program.

Your Committee also finds that many employees in Hawaii who do not have access to paid sick leave are employed in service industries. Requiring employers with a certain number of service worker employees to allow those employees to earn and utilize paid



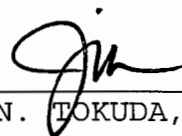
sick leave would help those employees address health concerns and provide care for family members when necessary.

Your Committee has amended this measure by adopting the Proposed Draft and further amending it by:

- (1) Changing from fifty to an unspecified number the minimum number of service worker employees that would trigger the requirement that the employer allow their service workers to earn and utilize paid sick leave;
- (2) Adding a requirement that the actuarial study ascertain the estimated liability and cost of implementing a family leave insurance program that provides up to twelve weeks of paid family leave per calendar year after any leave available pursuant to the federal Family and Medical Leave Act is exhausted;
- (3) Clarifying that an interim report shall be submitted to the Legislature prior to the 2016 Regular Session and a final report shall be submitted to the Legislature prior to the 2017 Regular Session;
- (4) Changing the effective date to July 1, 2059, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 496, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 496, H.D. 1, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



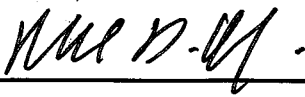
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JILL N. TOKUDA, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB 496, HD1, SD1</b>	Committee Referral: <b>JDL, WAM</b>	Date: <b>01/06/15</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood				✓
HARIMOTO, Breene		✓		
INOUE, Lorraine R.		✓		
RIVIERE, Gil		✓		
RUDERMAN, Russell E.	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	<b>10</b>	<b>3</b>	<b>1</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">  </div>				
<b>Distribution:</b> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> <div>Original File with Committee Report</div> <div>Yellow Clerk's Office</div> <div>Pink Drafting Agency</div> <div>Goldenrod Committee File Copy</div> </div>				

\*Only one measure per Record of Votes