DAVID Y. IGE
GOVERNOR

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ELAINE N. YOUNG
ACTING DIRECTOR

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February 25, 2015

To: The Honorable Sylvia Luke, Chair,
The Honorable Scott Y. Nishimoto, Vice Chair, and
Members of the House Committee on Finance

Date: February 26, 2015
Time: 3:00 p.m.
Place: Conference Room 308, State Capitol

From: Elaine N. Young, Acting Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 496, H.D. 1 Relating to Employment

I. OVERVIEW OF PROPOSED LEGISLATION

HB496 HD1 provides for employee-funded paid family leave under the Hawaii Family Leave Law, chapter 398, Hawaii Revised Statutes (HRS), via a DLIR administered trust fund account. The measure expands the law to include leave for the placement of a foster child and limits the applicability to of the Hawaii Family Leave Law by excluding employees of the State and counties. Weekly benefit amounts are no less than 58% and no more than 66 2/3% of the average weekly wage.

The DLIR supports the intent and suggests that the Committee consider amending the proposal to require employers to procure insurance coverage paid for by employee contributions through a carrier to achieve the intent of the current proposal, especially in considering the fiscal aspects.

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II. CURRENT LAW

The current Hawaii Family Leave Law (HFLL) allows qualifying employees working at employers with 100 or more employees with 4 weeks of job-protected leave to care for a sick family member or for the birth or adoption of a child. Except in certain situations, the law also requires an employer who provides sick leave to employees to permit an employee to choose to use up to ten days of accrued and available sick leave for family leave purposes.

There is an exception to the use of sick leave when the employer utilizes sick leave as its TDI plan. In this situation the employer can only elect to use only sick leave that is in excess of the minimum required by TDI. It is possible that the employee has sick leave but cannot use any of it for family leave purposes because the employee has no excess sick leave. The law also permits the use of other kinds of leaves as well.

III. COMMENTS ON THE HOUSE BILL

Overview
The employee-funded partial wage replacement leave trust fund here is created in a new part of the Hawaii Family Leave Law chapter 398, HRS. The rate of contribution for the employee is set at .5% (one-half of one percent). The weekly benefit amount is set by the temporary disability insurance law (section 392-22, HRS) or 58% of the average weekly wage or not more than 66 2/3% of the average weekly wages (section 386-31, HRS) of the workers compensation law.

HD1 does not amend chapter 398 (HRS) basic eligibility requirements: that an employee must work for an employer with 100 employees, for at least 6 months before becoming eligible to take Hawaii Family Leave. The new part that creates the payment benefit has a financial effect in HD1 from the previous version which included all employees. Now this measure includes approximately 200,000 employees (about 40% of all private employees) instead of 501,000 employees of private employers.

Estimate of Employee-funded Benefits
Based on the approximately 200,000 employees contributing .5% of wages the DLIR estimates the fund could accumulate $40 million a year. Estimating an average payout for an average employee at $800 average weekly wages ($41,600 annually) would be $464 weekly or a total of $1,856 for the four week period. The same employee would contribute $4 a week, for a total of $104 before becoming eligible, and a total of $208 per year. If 10% of the $40 million is taken from the total for administrative purposes, this would support approximately 19,000 claims a year.

Rhode Island, a comparable state in size (approximately 400,000 eligible employees), operating an employee-funded paid leave temporary disability program since 1942, added its paid temporary caregiver leave program in 2014 and had 5109 claims that totaled $6,336,600.
(http://www.dlt.ri.gov/lmi/pdf/tdi/2014.pdf)

Estimates of Operating and Startup Costs

Section 398-C of this measure obliquely references Chapter 383, HRS, and implies that the family leave assessments can be collected by the Unemployment Insurance (UI) Division using the same process that employers currently submit their quarterly UI tax contributions, which are deposited into the UI trust fund. While both systems may appear to be similar, they are disparate and incomparable, conceptually and operationally.

If the UI Division is responsible for assessment and collection of the family leave contributions under this bill, the entire UI tax system must be redesigned at an estimated cost of $40 million and would involve a consultant as well as a DLIR project team dedicated for at least two years of full time effort for implementation. An entirely new system must be designed and developed to implement family leave deductions from employee earnings and to administer paid family leave benefits since there is no current capability in the UI tax process to handle any family leave functions.

Once the family leave automated system is successfully operational, the number of positions the bill would require if enacted would have to be determined, although the department notes the administrative complexities entailed in operating and managing a program as outlined in the proposal. The DLIR does know such a system would require the following sections and functions in addition to one dedicated to the management of the trust fund:

Employee Contribution Section:
- Account Registration
- Report Intake and Processing
- Cashiering
- Delinquency, Collection, Monitoring and Compliance
- Trust Fund Monitoring and Compliance
- Appeals

Benefit Section**:**
- Intake of claims
- Claims processing
- In-house adjudication
- Monitoring and compliance
- Processing and disbursement of benefits
- Appeals

There is currently no system in the DLIR that collects from employees through their employers. Within the DLIR, the Unemployment Division may collect from employers an unemployment tax on their employees' wages, but assessments are made on total wages paid to all covered employees on a quarterly basis up to the annual taxable wage limit (100% average annual wage). These taxes are collected and deposited into the UI trust fund for purposes of payment of UI benefits to eligible jobless workers.

Conversely, the family leave system is based on employee contributions to the partial wage replacement leave trust fund and requires employers to withhold .5% of each employee's income during each pay period in the name of the employee. These contradictions require family leave to run on a separately constructed computer system, operating on an accounting logic entirely different than the UI tax system.

Substantive points that need addressing
Conflicting definitions of similar terms between the different laws creates ambiguity in the interpretation of what is intended. The DLIR recommends if a provision is to be used from another chapter, create the provision in the new part as a section so the references all refer back to the same set of definitions.

This proposal allows any paid family leave accrued under other programs to substitute for a portion of the four weeks but not specific sick or vacation leave. It does not articulate how other benefits like TDI, Workers Compensation, or Unemployment Insurance would be considered in conjunction with the paid Hawaii Family Leave.

Hawaii's Family Leave Law currently allows leave to be taken in hour increments. Is the paid leave contemplated by this measure also to be taken in single hour increments? It may be simpler to limit the paid benefits to increments of at least a day.

The department suggests that the Committee consider amending the law to require employers to procure insurance coverage paid for by employee contributions through a carrier to achieve the intent of the current proposal.

finance8-Melanie

From: Anthony Lenzer <tlenzer@hawaii.rr.com>
Sent: Wednesday, February 25, 2015 9:07 AM
To: FINTestimony
Subject: Additional Testimony in re HB 496 HD 1

To: House Committee on Finance
Rep. Sylvia Luke, Chair

From: Anthony Lenzer, PhD, Member
Policy Advisory Board for Elder Affairs

Subject: Additional Testimony in re HB 496 HD 1

Hearing: Thursday, February 26, 2015, 3:00 p.m.
Room 308

My testimony previously submitted to your Committee was in support of the above bill, because it embodied legislative support for the principle of paid family leave, a critically-needed benefit for Hawaii's working families. However, the current version of the bill does have serious shortcomings, among them the following: (1) it covers relatively few Hawaii workers, omitting entirely those who work in smaller firms and public sector employees; (2) it cuts paid leave time from twelve weeks to four weeks, which may be insufficient to provide care for seriously ill family members or newborns; (3) it significantly reduces the number of appropriate persons for whom such leave can be taken; (4) it creates serious problems of benefit eligibility for workers moving into or out of jobs covered by this bill; and (5) by omitting coverage of workers in smaller businesses, the bill fails to help those who most need this benefit: lower wage workers, who are more frequently found in smaller enterprises.

For these and other reasons, I respectfully urge the Committee to restore the original language of HB 496. Thank you for the opportunity to submit this additional testimony.

HAWAII STATE COMMISSION ON THE STATUS OF WOMEN

Executive Director
CATHY BETTS, JD

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February 26, 2015

To: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Members of the House Committee on Finance

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

Re: Testimony in Support of the Intent of HB 496, HD 1, Relating to Employment

On behalf of the Hawaii State Commission on the Status of Women, I would like to express the Commission's support for the intent of this measure, with **serious concerns and reservations as to the language in HD 1**, which makes a significant departure from the original language in HB 496.

The language in HD 1 is problematic for several reasons:

HD 1 creates a paid family leave "trust fund" for those employed at firms/businesses of 100 or more employees. All other states with a paid family leave insurance program have universal eligibility (1 worker and up) because without universal eligibility (everyone pays in and everyone get take out), an insurance fund of this size has no way of remaining financially solvent and risks becoming financially overburdensome on employees.

A Number Carve Out Is Financially Unsustainable

If a worker works for an employer with 100 or more employees for years, having contributions deducted from their pay check year after year, and then decides to start a small business or work for an employer with fewer than 100 employees, that worker would NOT be able to take paid family leave, despite all of the financial contributions they made into the fund.

Alternatively, a worker who worked for years for a small employer, and then changes jobs to work for an employer with more than 100 employees, would then receive the benefits despite never having paid into the fund. There is an inherent unfairness in this that many workers would not find acceptable.

Workers routinely change jobs. The way HD 1 is drafted, it would set people up to pay in, and then potentially never gain back their contributions. Coverage for paid family leave needs to be directly tied to who is paying in—which is why family leave funds are viewed as insurance funds. By allowing for universal eligibility of all workers in the State, as in the original language of HB 496, the program can be self sustaining, thereby not relying on any state funds to continue operating. This is win-win for businesses and employees and the state.

Few Workers Would be Covered Under HD1

Only 700 firms in Hawaii have 100 or more employees. 30% of the employees in the state would be covered by the language in HD1. 70% of the employees in the state would not have access to paid family leave. This means that 30% of the workers in the state would be asked to help keep afloat an insurance fund—this would be potentially financial disastrous for the State.

The Amount of Leave Under HD 1, 4 Weeks, Is Problematic for Mothers

The only other state that offers only 4 weeks of employee funded paid family leave is Rhode Island. Rhode Island was able to pass 4 weeks because the state has a robust Temporary Disability Insurance (TDI) program, that is overseen and enforced by the state. For example, a woman who gave birth via caesaraean would be eligible for 8 weeks of TDI to recover from a major surgery and then could take the 4 weeks of paid family leave insurance for bonding with a newborn. (12 weeks still pales in comparison to the amount of paid family leave provided by every other nation in the world, except the United States and Papua New Guinea). In Hawaii, many are ineligible for TDI (state employees, city and county employees, those with sick leave programs), which means many women would solely be eligible for 4 weeks of paid family leave (even though the bare minimum recommended by physicians is at least 6 weeks to recover). Additionally, our TDI system is privatized and the statute provides for very little enforcement, weakening our TDI application and eligibility.

HD 1 Will Hurt Those Who Have and Are Employed by Small Businesses

Employees of small business have no legally mandated paid sick leave. With the language in HD1, they would then have no access to paid family leave. Under our Hawaii Family Leave Law (4 weeks unpaid, 100 or more employees, only covers 16% of our workforce), employees are not guaranteed unpaid time off to care for a family member. Under the federal Family and Medical Leave Act (12 weeks unpaid, with job protection, 50 or more employees, which already excludes 40% of the national workforce[1]), employees at small businesses would not be covered. In the end, *HD1 penalizes* those who choose to work for small business, creating an incentive for employees to leave small business, knowing that larger businesses have more competitive benefit packages.

For employees at firms of less than 100 employees, the decision of whether you receive unpaid maternity leave, paternity leave, or leave to take care of an aging and ill parent or spouse is completely dependent on your employer. Most people working in Hawaii cannot take unpaid leave and still maintain financial stability. Our workforce demographics are constantly changing. Today, women make up half of our workforce, yet 2/3 of women serve as sole or primary breadwinners for their families. Women make up the majority of caregivers to young children and elderly relatives, yet they routinely must choose between their caregiving responsibilities and their jobs. It is clear that our current law needs to be revised and updated to provide true benefit to employees.

The Definition of Family Members is Limited under HD 1

HD1 strips the revised language of family members and covered individuals. The Commission requests that the original language found in HB 496 be used for the definition of family members. Additionally, the "designated individual" language should be added to ensure that hanai family members, or family members with no legally recognized relationship, can be covered.

Other States Have Successfully Implemented Paid Family Leave Policies with No Economic Disadvantage to Businesses

California, New Jersey and most recently, Rhode Island, have all passed strong state policies providing partial wage replacement for family and medical leave purposes. California passed the nation's first comprehensive paid family leave program in September 2002, allowing six weeks of wage replacement leave at 55 percent of a worker's usual weekly earnings when the worker needed to take time off of work to bond with a new child or to care for a seriously ill family member. In the more than ten years that this law has been in effect, California has seen economic, public health, and business savings because of this measure. In "Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California", key findings from California's experience were as follows:

- The business community's concerns, that it (paid family leave) would impose extensive new costs on employers and have serious detriment to small businesses, were unfounded. After five years of this policy in place, employers reported that it had minimal impact on their business operations. [2]
- Small businesses were less likely than larger establishments to report any negative effects.
- The vast majority of respondents to the survey reported that they were not aware of any instances in which employees abused the state Paid Family Leave program.
- The use of paid family leave increased retention of workers in low quality jobs.
- Paid family leave doubled the median duration of breastfeeding for all new mothers who used it.

Hawaii needs a paid family leave fund for several reasons. The majority of our workforce already provides care, whether to children, parents, spouses, or ill family members (or for those in the "sandwich generation", provide care to children *and* aging parents simultaneously). The majority of families in Hawaii are "working families" with multiple employees and multiple caregivers. This bill would strengthen economic security for families, so families would not have to risk falling through the economic cracks in times when they need to provide care for another family member. Additionally, measures such as these improve public health, lower levels of public assistance reliance and increase employee loyalty and retention.

The legislature has been considering legislation like HB 496 for almost a decade (in 2007 and 2008, the legislature created Joint Committees on Aging and Family Caregiving that reiterated the goals found in HB 496). The legislature has an opportunity to show that Hawaii is a leader for working families. The Commission respectfully urges you to consider the original language found in HB 496, in order to make amendments to HB 496, HD1. Thank you for this opportunity to testify in support of the intent.

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[1] Family Values at Work, Updated FMLA Survey Results

[2] Eileen Applebaum and Ruth Milkman, *Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California* (2011).

finance8-Melanie

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 23, 2015 3:19 PM
To: FINTestimony
Cc: norma.circle@co.maui.hi.us
Subject: *Submitted testimony for HB496 on Feb 26, 2015 15:00PM*

HB496
Submitted on: 2/23/2015
Testimony for FIN on Feb 26, 2015 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Norma Circle	Maui County Office on Aging	Support	No

Comments:

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

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Friday, February 26, 2015

Relating to House Bill 496 House Draft 1
Testifying in Strong Support

Aloha, Chair Luke, Vice-Chair Nishimoto and Members of the House Committee on Finance,

The Democratic Party of Hawaii **supports the intent of HB496 HD1 Relating to Employment**, which establishes a partial wage replacement for leave trust fund funded by employee wage withholdings, uses the trust fund to provide partial wage replacement for four weeks of family leave, as well as appropriates moneys to administer the trust fund. However, this bill is a significant deviation from the original language, which we prefer.

This approach, we believe is problematic for a number of reasons.

The intent of the bill is to provide a mechanism for employees to take time off to care for ill or elderly family members, however, the current language is only applicable for business that have 100 or more employees, leaving out an overwhelming majority of workers in the state.

Nowadays, workers change jobs multiple times through the course of their lives and given the small number of businesses to which this draft would apply, some workers would likely pay into the trust fund, and then potentially be unable to access the benefits later on. Or a worker would enter a job that qualifies and have the ability to access the benefits without ever having paid into the trust fund. By expanding the coverage to all business and employers, the long-term financial sustainability of the fund would be assured and guarantees coverage for all employees in the state, not just the small percentage of the workforce covered by this draft.

This draft also provides a far smaller benefit. Only one other state, where Temporary Disability Insurance is far more robust, provides for only four weeks of paid family leave. Allowing for up to 12 weeks a year is not unreasonable and is still a far cry less than benefits provided for in every other industrialized nation.

We believe the current draft would put smaller businesses at a disadvantage. There is no state or federal law that provides for paid family leave for small businesses, creating a disincentive for workers to take a job, or stay in a job, at a small business.

We encourage you to pass the bill to allow for ongoing discussion on this important issue.

Mahalo for the opportunity to testify,
And The Legislation Committee of the Democratic Party of Hawaii

DEMOCRATIC PARTY OF HAWAIʻI
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The Twenty-Eighth Legislature
Regular Session of 2015

HOUSE OF REPRESENTATIVES
Committee on Finance
Rep. Sylvia Luke, Chair
Rep. Scott Y. Nishimoto, Vice Chair
State Capitol, Conference Room 308
Thursday, February 26, 2015; 3:00 p.m.

STATEMENT OF THE ILWU LOCAL 142 ON H.B. 496, HD1
RELATING TO EMPLOYMENT

The ILWU Local 142 supports the intent of H.B. 496, HD1, which establishes a partial wage replacement for leave trust fund funded by employee wage withholdings and uses the trust fund to provide partial wage replacement for four weeks of family leave.

The federal Family and Medical Leave Act and the Hawaii Family Leave Law both provide for unpaid leave to care for a newborn, adopted or foster child and to care for a seriously ill family member. While these laws recognize the need for family leave, they do not acknowledge the need for most workers to be paid during such leave. H.B. 496, HD1 is an attempt to provide monetary compensation for a worker who needs to take family leave by establishing a trust fund into which employee contributions will be made through an employee tax.

The original language in H.B. 496 required that paid family leave be available to all employees of employers of any size. However, HD1 preserves the current threshold of 100 employees for employers to be required to provide family leave. HD1 also keeps family leave at four weeks rather than 12 weeks as proposed in the original H.B. 496.

Expanding family leave coverage to all employees is good public policy. As the preamble to the bill states, family leave is taken by employees to bond with a new child and to care for a family member with a serious health condition. Women are disproportionately affected as primary caregivers for their children and for seriously ill family members like a spouse or an elderly parent. Denying family leave to all employees is effectively forcing women to decide between caring for their loved ones and retaining employment, resulting in an untenable choice.

Employees who are provided with family leave (best with compensation) will be more productive and motivated employees, more loyal to their employers, and better parents and adult children to their own parents. The employee benefits, the employer benefits, and society benefits.

We also support increasing family leave from four weeks to 12 weeks as is provided under the federal Family and Medical Leave Act (FMLA) and the original H.B. 496. However, if increasing the leave is burdensome, the Hawaii Family Leave Law (HFLL) should be amended to address how family leave may be applied in relation to FMLA. Currently, employers with 100 or more employees are permitted to apply both leaves concurrently. For example, if an employee asks for four weeks of FMLA leave to care for a seriously ill family member, both

HFLL and FMLA are applied at the same time, leaving the employee with no HFLL and only eight weeks of FMLA remaining. Not only is family leave currently unpaid, this quirk of application eliminates the effect of the state law.

The ILWU urges passage of H.B. 496, HD1 to continue discussion on this important issue. Family leave is needed for employees to fulfill their family responsibilities. Providing wage replacement during such leave is essential for employees to afford to take the leave.

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

Hawaii Credit Union League
Your Partner For Success
Unite for Good
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Testimony to the House Committee on Finance
February 25,2015

In opposition to HB 496 HD1, Relating to Employment

To: Representative Sylvia Luke, Chair
Representative Scott Nishimoto, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 70 Hawaii credit unions, representing approximately 804,000 credit union members across the state.

We are in opposition to HB 496, Relating to Employment. This bill would require that employers offer twelve weeks of family leave, and establishes a partial wage replacement for leave trust fund to be funded by employees. While we are understanding of the need for employees to care for ill family members, we are concerned with the administrative burden that could arise from administering different types of leave. If this law were enacted, many employers may opt to combine sick and vacation leave that is currently offered, which could adversely affect the amount of paid leave offered.

Further, allowing a staff member to be absent for twelve weeks out of every year could cause internal control issues for businesses that could impact their ability to function. There are several credit unions that operate with very few employees. Having just one employee out for twelve weeks would severely impact member services.

Thank you for the opportunity to provide testimony.

February 24, 2015

To: Representative Mark M. Nakashima, Chair
Representative Jarrett Keohokalole, Vice Chair
Members of the House Committee on Labor and Public Employment

Re: Testimony in Strong Support of HB 496, Relating to Employment

I strongly support the intent but request amendments and language consistent with the original HB 496, which was replaced with language from HB 535 that is significantly different. The HD1 version now misses the mark in many ways towards fulfilling the aims of the original bill. Very few Hawaii businesses would be covered due to the 100+ worker requirement and the definition of family is unclear. Both of these changes to the original bill cause many logistical issues for Hawaii businesses and the administration of the trust fund.

As a small business owner, I believe the trust fund is the best way to implement paid family leave in an equitable way that realizes many benefits for business and families. Hawaii has an opportunity to show its commitment to our working families, keiki and growing kūpuna population by moving HB 496.

I urge this Committee to pass HB 496 in its original form.

Mahalo nui loa,

Erica Yamauchi
Owner and Vice President, Island Endodontics
Wilhelmina Rise/Maunalani Heights

February 26, 2015

To: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Members of the House Committee on Finance

From: Deborah Zysman, Executive Director
Good Beginnings Alliance

Re: **Testimony in Support of HB 496 HD1:** Relating to Employment (Family Leave)
Hearing: February 26, 2015 at 3 PM, Conference Room 308

Thank you for this opportunity to provide testimony in support of HB 496, SD1, which establishes a partial wage replacement for leave trust fund funded by employee wage withholdings. We do prefer the original version the bill to allow Hawaii families the opportunity to receive temporary caregivers insurance.

Good Beginnings Alliance is an independent, community based nonprofit organization with the mission to build a unified voice educating and advocating for Hawaiʻi's children.

Paid family leave is one of the most important measures for your consideration this year. It will provide a benefit to <u>everyone</u> in Hawaii.

Paid family leave is pro-child – ensuring parents can provide caregiving when a baby is born or a child is ill. Most children in Hawaii grow up in "working families" with parents who often cannot afford to take unpaid leave.

Paid Family Leave is pro-family – allowing families to care for loved ones without risking a job. It supports families at critical points in time when they need it most.

Good Beginnings Alliance is in strong support of the original measure to amend Hawaii's current Family Leave Act to provide universal eligibility, job protection, and partial wage replacement through a 100% employee funded payroll contribution.

Let's stop demanding that Hawaii families make a choice between a paycheck and their family.

For these reasons, we ask that you restore language from the original version of this bill.

850 Richards Street #201, Honolulu, HI 96813 | Telephone: (808) 531-5502
www.goodbeginnings.org

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Care. No matter what.

Planned Parenthood of Hawaii

To:	Committee on Finance
Hearing Date/Time:	Thursday, February 26, 2015, 3:00 p.m.
Place:	Hawaii State Capitol, Rm. 308
Re:	Testimony of Planned Parenthood of Hawaii in support of the intent of H.B. 496, HD1

Dear Chair Luke and Members of the Committee on Finance,

Planned Parenthood of Hawaii writes in support of the intent of H.B. 496, HD1, which seeks to establish a family leave insurance program. However, we echo the Hawaii State Commission on the Status of Women's serious concerns and reservations about the language in HD1.

Planned Parenthood of Hawaii is dedicated to providing Hawaii's people with high quality, affordable and confidential sexual and reproductive health care, education, and advocacy and we know that the need for access to paid family leave is a social justice issue that directly impacts many of the women and men of all income levels who come through our doors seeking health care.

It's hard to imagine any family without a member who's been forced to deal with an unexpected serious illness requiring surgery, treatment and a period of recovery. We know that the primary use of paid family leave is by individuals who require that benefit because of their own illnesses. We're also well aware that there's a growing demand for working adults to care for their aging parents. The cost of home caregivers, assisted living facilities and skilled nursing homes is high. Thousands of Hawaii families are balancing the needs of ailing elders while also raising children who are in need of some level of daily care or who just need to stay home with a garden variety communicable illness.

While we don't have all the answers to the dilemmas facing us, as baby boomers age, as life expectancy grows, as somewhat older mothers choose to bear children and face complicated at-risk pregnancies, we can be proactive and develop sound family leave insurance policies that provide longer term family economic security, a more stable, productive workforce, decrease dependence on public assistance and save employers money over time.

Thank you for this opportunity to testify.

Sincerely,
Laurie Field
Director of Public Affairs & Government Relations

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PHOCUSED

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

TO: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Members, House Committee on Finance

FROM: Scott Morishige,MSW
Executive Director, PHOCUSED

HEARING: **Thursday, February 26, 2015 at 3:00 p.m. in Conf. Rm. 308**

Testimony in Support of HB496 HD1, Relating to Employment.

Thank you for the opportunity to provide testimony in **support** of HB496 HD1, which would establish a family leave insurance program. PHOCUSED is a nonprofit membership and advocacy organization that works together with community stakeholders to impact program and policy change for the most vulnerable in our community, including victims of domestic violence. **While we do support this bill, we would like to note that our preference would be for the original language of the bill, which would provide 12 weeks of family leave, and provide this leave to employees of both large and small businesses (not just those with 100 employees or more).**

At some point, nearly everyone needs time to recover from a serious illness or care for a sick loved one or new child. However, the majority of working people in the United States cannot take the leave they need without risking their jobs or economic security, especially in Hawai`i, where families struggle with the highest cost of living and housing in the nation. **A Family and Medical Leave Insurance (FMLI) program would allow people to receive a portion of their wages when they need time for family or medical reasons** – resulting in significant benefits for their families, businesses and our economy.

Similar legislation has been adopted in California, New Jersey, and Rhode Island. A 2011 study of California's FMLI program estimated that it would save employers $89 million per year. In addition, a recent Rutgers study shows that New Jersey's FMLI program has saved businesses money, improved employee retention, decreased employee turnover costs, and improved employee productivity.

FMLI programs also have huge positive social impact for families and children. In general, research has found that paid parental leave reduces infant mortality and produces better long-term health outcomes, especially for children with chronic health conditions. Furthermore, when parents take time to care for their sick children, the children have a speedier recovery and lengths of hospital stay are decreased by nearly a third.

Once again, PHOCUSED urges your support of this bill. We strongly believe that this will be a step in the right direction for Hawaii's workers and families. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.

PHOCUSED

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

American Savings Bank Tower (1001 Bishop St., Ste. 780) Honolulu, HI 96813 P: 808.521.7462
www.phocused-hawaii.org admin@phocused-hawaii.org

Before the House Committee on Finance

DATE: Thursday, February 26, 2015

TIME: 3:00 P.M.

PLACE: Conference Room 308

Re: HB 496, HD1 Relating to Employment

Testimony of Melissa Pavlicek for NFIB Hawaii

CORRECTED TESTIMONY

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to HB 496, HD1 relating to Employment. NFIB Hawaii respectfully **opposes** this measure.

HB 496, HD1 establishes a partial wage replacement for leave trust fund funded by employee wage withholdings. We believe that this bill creates, in essence, a tax on employees and that the expense of administering such a fund and ensuring its adequacy outweighs its intended beneift.

The National Federation of Independent Business is the largest advocacy organization representing small and independent business in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents more than 1,000 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed. We respectfully **oppose** HB 496, HD1.

Mahalo for your consideration.

TO: Representative Sylvia Luke Chair

Representative Scott Nishimoto Vice Chair

Members of the House Finance Committee

FROM: Janel A. Takasaki, RN, BSN, IBCLC

President Breastfeeding Hawaii

RE: HB 496 HD1 Regarding Employment

HEARING DATE: February 26, 2015 3pm

Representatives Luke, Nishimoto and Members of the House Finance Committee, Breastfeeding Hawaii is a non-profit, 501 (c)3 organization designed to promote, protect and support breastfeeding in the state of Hawaii. We support in HB 496 HD1 the provision of paid family leave through a Trust Fund at a level of 66.75 % of the employees weekly wage contributed by the employee. We also support the allocation of up to 10 % of trust funds to be used for program implementation and maintenance.

We suggest the following amendments or changes to this HB 496 HD 1 to include:

1. **12 weeks paid leave**, and

2. the coverage of **all employees** in the State of Hawaii-public (e.g. employees of State and County government) and private for businesses of any size.

Paid time off for new families to care for a newborn infant helps establish a firm foundation in breastfeeding and strong early relationships between mother, infant and father. This is best developed without the added stress of financial insecurity while a mother is off work without pay. Hawaiian Culture believes in the value of relationships and the support of our Ohana throughout the entire life cycle.

We feel it is important for businesses to support a plan that is primarily funded by the employee. While we understand that the proposed changes in this bill will impose added work for the employer, the support of an employee goes a long way toward employee loyalty and retention. In addition, businesses can also consider the cost of not supporting employees which could result in resignation and associated costs of recruitment and training. The time and effort by the employer on behalf of the employee is good for employees and businesses.

We sincerely hope you will alter the present bill draft to include our suggested amendments and pass the legislation out of your Committee. Thank you for hearing our testimony.

HB 496, HD1 RELATING TO EMPLOYMENT.

TESTIMONY IN SUPPORT OF INTENT
Requesting Amendments and Language Consistent with Original HB 496

Committee on Finance

Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair

Thursday, February 26, 2015 at 3:00 pm
Conference Room 308

February 25, 2015

Aloha Chair Luke and Vice Chair Nishimoto, and Members of the Committee:

My name is Shay Chan Hodges and I have been a Maui resident for twenty-three years. I have two sons who currently attend King Kekaulike High School.

For the majority of my years as **a working mother in Hawaii**, I have written grants for nonprofits in the health and human services arenas. I also owned and operated Maui Child Toys and Books for six years in Makawao Town, and most recently, published ***Lean On and Lead, Mothering and Work in the 21st Century Economy*** about the **economic impacts of the intersection of work and parenting**.

I support the intent of HB 496, but have serious concerns and reservations about the language in HD1, which is significantly different from the original bill, specifically, it:

- Only creates paid family leave **for those employed at firms/businesses of 100 or more employees**, which creates huge solvency problems.
- Treats workers who change jobs unfairly. HD1 penalizes workers who move from an employer with 100 or more employees to a smaller employer because even though that worker would have made financial contributions into the fund for years, he or she would NOT be able to take paid family leave. Conversely, a worker who has not paid into the fund and changes jobs to work for an employer with more than 100 employees, would be able to access the leave. **Coverage needs to be tied to what has been paid in**.
- Exempts all state employees from coverage. **This also ends up taking out a significant portion of potential payments into the fund**.
- Creates an incentive for employees to leave small businesses, rather than protecting small businesses. Small businesses are not required to provide sick leave, and under HD 1, would not be required to provide paid family leave. **Adding more workplace protections for larger workplaces creates more of a burden for small businesses to compete.**

In my ebook *Lean On and Lead*, I present a variety of first person narratives and interactive data that describe what parents and other caregivers need to significantly participate in the economy while raising children or caring for other family members.

> *Individuals interviewed include working women, mothers, and fathers from around the world who represent a broad variety of occupations, as well as quite a few Hawaii residents, for example, **Lieutenant Governor Shan Tsutsui, then Congresswoman Colleen Hanabusa, US Senator Brian Schatz, State Senator Jill Tokuda, State Representative Beth Fukumoto, and Maui District 2010 Teacher of the Year Emily Haines-Swatek,** to name a few.*

The stories told in the interviews make it very clear how important policies that support working parents are to our economy -- both in the short and long-term.

In fact, one of my interviewees, an engineer and start-up entrepreneur in California, discusses how California's Paid Family Leave laws helped her:

> *"It was a tricky case for me. I could have received no financial support during my maternity leave because my current employer does not provide pay for family leave, and my short term disability insurance policy only provided me with up to two-thirds of my pay for two weeks. So although I could take twelve weeks off without losing my job, based on my current job situation, I was only entitled to wages for five percent of that time.*
>
> *"I was very disappointed. Luckily, I found out that my previous employer (a private company) participated in the California State Disability Insurance program. **Since I had paid into the SDI fund when I was at the former employer and it was within the required time frame, I was automatically eligible for paid family leave. I received about fifty-five percent of my pay. The paid leave was a great help to my family.** Since my husband's employer also participated in PFL, he was able to get partial pay when he took time off to care for our daughter during the first year. " – Lala Zhang, Excerpt From "Lean On and Lead." iBooks.*

Last summer, as a result of my work collecting interviews and compiling robust research and data, I was invited to attend the **White House Summit on Working Families**. That event, which was attended by President Barack Obama and the First Lady, members of the President's cabinet, business leaders, advocates, union representatives, and diverse workers, **addressed the need for public policy and private sector supports for caregivers.** More recently, I had the opportunity to join a **Google hang-out with Secretary of Labor Tom Perez** and a half dozen other writers and policy experts who have been following the Administration's efforts to pass paid family leave legislation nationwide. The hang-out took place two days after **President Obama's State of the Union** speech when he said:

"Today, we're the only advanced country on Earth that doesn't guarantee paid sick leave or paid maternity leave to our workers."

Before taking questions at the hang-out, Sec. Perez reported that the Administration was working on several fronts to increase women's and family's economic security, noting that he had recently spoken with about a hundred state legislators about these issues. He also encouraged those of us working to pass paid family leave and paid sick days to make the business case for workplace policies that support families.

So I wanted to make sure to emphasize that not only does supporting working families improve the economy for the state as a whole, it also improves the economic landscape for businesses**. A 2011 study of California's family leave program estimated that paid family leave saves employers $89 million a year by improving worker retention and increasing productivity, and a similar Rutgers University study showed cost savings for businesses in New Jersey from decreased turnover, improved productivity, and improved employee morale.**

As I am sure you are aware, nationwide, only 11% of employees have access to paid family leave through their employers **and female employees are affected disproportionately by this situation.** In Hawaii, 247,000 people serve as family caregivers, and of those who need paid leave in our state but do not have access to it, one in three need to care for an aging parent or spouse.

The original HB 496 would create a trust fund that employees would contribute to which would provide partial wage replacement for **up to twelve weeks when needed**. Because Hawaii's bill does not require businesses to contribute, nor does it rely on state funds to continue operating, it is a win-win for businesses and employees.

I know that this is not the first time that a family paid leave bill has been introduced to the Hawaii State Legislature, but I believe the time is right for the original Bill HB 496 to pass. Now more than ever, Hawaii's legislators, many of whom are caregivers themselves, understand that a thriving economy is only as strong as the families that participate in it.

They also understand that the majority of workers are also caregivers at some point in their working lives, and our economy depends on their ability to continue to contribute both labor and intellectual capital, even if they have to take breaks to care for loved ones. I urge you to pass HB 496 as it was originally drafted.

Mahalo,

Shay Chan Hodges
Author, Lean On and Lead, Mothering and Work in the 21st Century Economy
Maui, Hawaii

Chamber of Commerce HAWAII
The Voice of Business

Testimony to the House Committee on Finance
Thursday, February 26, 2015 at 3:00 P.M.
Conference Room 308, State Capitol

RE: HOUSE BILL 496 HD1 RELATING TO EMPLOYMENT

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **opposes** HB 496 HD1, which establishes a partial wage replacement for leave trust fund funded by employee wage withholdings and uses the trust fund to provide partial wage replacements for four weeks of family leave.

The Chamber is the largest business organization in Hawaii, representing about 1,000 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. We are concerned that the amount of leave in this bill is in addition to other benefits currently offered by employers, and could allow for a large amount of leave available to an employee. This adversely affects businesses that need to find staffing to cover the employee on leave. We are also concerned of the economic impact of this new payroll tax.

Thank you for the opportunity to testify.

1132 Bishop Street, Suite 2105 • Honolulu, Hawaii 96813 • Phone: (808) 545-4300 • Facsimile: (808) 545-4369

February 26, 2015

To: Chair Sylvia Luke
Vice Chair Scott Y. Nishimoto
Members of the House Committee on Finance

From: Kuli'a Aiona, University of Hawaii of Manoa student MSW Program,
(email: kaiona44@hawaii.edu)

Date of Hearing: **Thursday, February 26, 2015 at 3:00 pm in Conf Room 308**

Re: Testimony in Support of the intent of HB 496 HD1, Relating to Employment

On behalf of the University of Hawaii of Manoa MSW Program and myself I would like to thank the committee for this opportunity to provide testimony on this important issue. I am testifying in **support of the intent of the bill**, which establishes a family leave insurance program, which requires employees to make contributions into a trust fund to be used to provide employees with family leave insurance benefits in order to care for a designated person. Appropriates funds to DLIR to implement the program.

I am reserving my full support towards this bill for various reasons. This is not the original form of the bill, the state does not want to participate or be involved, they have minimized the length of paid family leave, and this has many negative effects on every party involved.

In regards to caring for a newborn child it is extremely important that the infant receive proper attention, care, love, and nourishment. The absence of these could be negatively detrimental to the family, society, schools, and potentially everyone. “The real difference in violent outcomes lies not in whether or not there was ever physical damage to the brain, but in the strengths in the environment of the infant and young child, particularly the family.” [i] This is taken from a book that discusses numerous accounts of violent behavior performed by young teenagers that received improper upbringing from an infant through childhood. “When we are not protective of mothers' experiences during pregnancy, our communities may give birth to the reflection of those experiences.” [i] In the bill's original form it could potentially raise the burden and stress hovering over a pregnant mother. Also, if applicable to the situation, the original bill could positively affect the spouse or partner of the pregnant mother. This bill only allows four weeks, which is a month, and that is not enough time. Compared to the other nations around the world we do not even match up. Canada leads the world allowing 50 weeks of maternity leave, Mexico, Pakistan, and South Africa pay at least 12 weeks. [ix]

This is not to say that the other countries are better than us. However, the more paid leave we allow the more loyal employees become. In California, where paid family leave has existed for almost a decade, employees in low-wage, high turnover industries are more likely to return their jobs after using the paid family leave program. [x] Now I know this is the Finance committee and majority of the focus is on that. However, the evidence displays that finance has the potential to affect all parties involved with the bill.

State employers do not want to be involved, but they are only hurting themselves. Research has proven in New Jersey the program has been around since 2009, program costs are even lower than expected, as a result it led to a payroll tax cut. [xi] Fortunately majority of the public is not informed of the information, I have come to believe that if the public were informed the image or message state employers have portrayed by opting out of the bill would not be beneficial. A lot of employees once negatively affected by the bill may lose allegiance to the employer. According to research, a national paid leave insurance program would help keep new parents and family caregivers in the workforce and boost their earnings and savings over time, all of which would contribute to economic productivity and growth. In contrast, when people have to forgo pay or lose a job when a serious medical or caregiving need arises, they often jeopardize their ability to afford even the most basic necessities. This hurts workers, their families and the businesses that depend on revenue from these purchases, and it stifles economic growth. [xii] Not only could Paid Family Leave be potentially beneficial for a mother's life or a child's life, but also for a father. Researchers conducted a study on the father's involvement on 134 children and the results indicated that children with more involved fathers experienced fewer behavioral problems and scored higher on reading achievement.VIII

In its original format this bill has the potential to positively affect so many lives for years to come. However, this bill does not only affect soon to be parents but, caregivers and family caregivers. I ask that you really look at the influence this bill has on so many young children lives'. The research has proven that it positively affects everyone on all sides of the ball. Families, mothers, fathers, employees, employers, the future of society and our community all could be positively influenced by the original format of the bill. What is the state's message to the people of Hawaii by opting of the program? What about the entire nation's message? That we as a nation are not mandated to allow paid family leave.

I Perry, B. D., & Szalavitz, M. (2008). The boy who was raised as a dog: and other stories from a child psychiatrist's notebook: what traumatized children can teach us about life, loss, love, and healing. New York.
II http://publicwelfare.org/resources/DocFiles/psd2010.final.pdf
III-IV Pavalko, Eliza K. and Kathryn A. Henderson (2006) Combining Care Work and Paid Work: Do Workplace Policies Make a Difference? Research on Aging 28:359-374.
Rosenfeld, Peri (2007) Workplace Practices for Retaining Older Hospital Nurses: Implications from a Study of Nurses with Eldercare Responsibilities, Policy, Politics, and Nursing Practice 8:120-129.
V Engeman, C. D. (2012). Ten Years of the California Paid Family Leave Program: Strengthening Commitment to Work, Affirming Commitment to Family. Policy Brief. Retrieved 23 February 2015, from http://www.femst.ucsb.edu/projects/crwsj/engagements/pdf/Engeman-PFL-Policy-Brief.pdf
VI Berger, M., Hill J., Waldfogel J. (2005) Maternity leave, early maternal employment and child health and development in the US. The Economic Journal 115:F29-F47.
VII Hyde, Janet Shibley, Marilyn J. Essex, Roseanne Clark, and Marjorie H. Klein (2001) Maternity Leave, Women's Employment, and Marital Incompatibility, Journal of Family Psychology 15(3):476-491
VIII Howard, K. S., Burke Lefever, J. E., Borkowski, J.G., & Whitman, T. L. (2006). Fathers' influence in the lives of children with adolescent mothers. Journal of Family Psychology, 20, 468- 476.
IX Beadle, A. P., (2012). How the Zero Weeks of Paid Maternity Leave in the U.S. Compare Globally. ThinkProgress. Retrieved 23 February 2015, from http://thinkprogress.org/health/2012/05/24/489973/paid-maternity-leave-us/
X Appelbaum, E., & Milkman, R. (2011). Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California. Center for Economic and Policy Research Publication. Retrieved 5 November 2013, from http://www.cepr.net/index.php/publications/reports/leaves-that-pay
XI Press of Atlantic City. (2010, November 15). Paid Family Leave / Working well. Retrieved 16 September 2013, from http://www.pressofatlanticcity.com/opinion/editorials/article_0d6ba980-3a1d-56f7-9101-258999b5d9d0.html
XII National Partnership for Women & Families. Unpublished calculation based on median hourly wages for full-time and part-time wage and salary workers as of September 2013. U.S. Census Bureau. (2013, September 7). Wage and Salary Workers – People 15 Years Old and Over, by Total Wage and Salary Income in 2012, Work Experience in 2012, Race, Hispanic Origin, and Sex (Table PINC-10). Retrieved 19 November 2013, from http://www.census.gov/hhes/www/cpstables/032013/perinc/pinc10_000.htm

FIN-Jo

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 24, 2015 8:48 PM
To: FINTestimony
Cc: annsfreed@gmail.com
Subject: Submitted testimony for HB496 on Feb 26, 2015 15:00PM

HB496
Submitted on: 2/24/2015
Testimony for FIN on Feb 26, 2015 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Individual	Support	No

Comments: We oppose HD1. Please return to the original bill

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

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LATE

WOMEN'S CAUCUS
DEMOCRATIC PARTY OF HAWAIʻI

February 26, 2015

To: Representative Sylvia Luke, Chair
Representative Scott Nishimoto, Vice Chair and
Members of the Committee on Finance

From: Jeanne Y. Ohta, Co-Chair

RE: HB 496 HD1 Relating to Employment
Hearing: Thursday, February 26, 2015, 3:00 p.m., Room 308

POSITION: Support

The Hawaiʻi State Democratic Women's Caucus writes in support of the intent HB 496 HD1 Relating to Employment, preferring the original language of the bill.

The Hawaiʻi State Democratic Women's Caucus is a catalyst for progressive, social, economic, and political change through action on critical issues facing Hawaii's women and girls it is because of this mission that the Caucus supports enabling legislation for paid leave.

Paid leave makes fiscal sense for small and large businesses because employers are not responsible to pay for the leave time. Paid leave is funded by employees.

We have an economy where many mothers are in the workforce. Nearly 66% of all children in the U.S. have two parents who work or are supported by a single parent. In addition to childcare, by 2020, about 40 percent of the workforce will be providing care for older parents.

It is alarming that nearly 25% of adults in the U.S. have lost or job or been threatened by job loss for leave due to illness and 11% of U.S. workers have access to paid family leave through their employers.

Women, as primary caregivers of infants, children and elderly parents, are affected disproportionately by the unavailability of paid family and medical leave. Women are the primary or co-breadwinners for almost two-thirds of families in the U.S., so women's income lost during maternity leave has significant economic impact on her entire family. Many grandmothers are also caring for grandchildren.

Women in Hawaiʻi can apply for TDI after giving birth, but it is time-limited. Fathers are not eligible to apply. In Hawaiʻi the majority of families are "working families" who cannot afford to take unpaid leave. Access to paid family leave alleviates economic instability for struggling families by ensuring job security.

We need legislation because in Hawaiʻi, only 88 businesses employ 100 or more employees within the state. Thus, only employees from these 88 business are eligible for 4 weeks unpaid leave guaranteed by state law.

We prefer the original language of HB 496 for the following reasons:

1. The measure only requires employees in businesses with 100 or more employees to participate. No other state with a paid family leave insurance program has this type of limitation. Limiting the participants creates solvency issues.

Hawaiʻi State Democratic Women's Caucus, 404 Ward Avenue Suite 200, Honolulu, HI 96814
hidemwomen@gmail.com

2. Employees who move from large to small employers would not be able to draw from the fund they contributed to.
3. Conversely, a worker who worked for years for a small employer and then changes jobs to work for an employer with more than 100 employees, will receive a windfall having never paid into the fund.
4. Coverage should be tied to what has been paid in.
5. HD 1 exempts all state employees from coverage. This also ends up taking out a significant portion of potential payments into the fund.
6. Employees of small firms deserve workplace protection and paid the opportunity to take a paid family leave to take care of their families when necessary.

We ask that the committee reinstate language from the original bill so that we may have meaningful family leave provisions for all employees, not just those working for large businesses. Thank you for this opportunity to provide testimony.

Chamber of Commerce HAWAII

The Voice of Business

Testimony to the House Committee on Finance
Thursday, February 26, 2015 at 3:00 P.M.
Conference Room 308, State Capitol

LATE

RE: HOUSE BILL 496 HD1 RELATING TO EMPLOYMENT

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **opposes** HB 496 HD1, which establishes a partial wage replacement for leave trust fund funded by employee wage withholdings and uses the trust fund to provide partial wage replacements for four weeks of family leave.

The Chamber is the largest business organization in Hawaii, representing about 1,000 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. We are concerned that the amount of leave in this bill is in addition to other benefits currently offered by employers, and could allow for a large amount of leave available to an employee. This adversely affects businesses that need to find staffing to cover the employee on leave. We are also concerned of the economic impact of this new payroll tax.

Thank you for the opportunity to testify.

1132 Bishop Street, Suite 2105 • Honolulu, Hawaii 96813 • Phone: (808) 545-4300 • Facsimile: (808) 545-4369

LATE

February 25, 2015

To: Representative Mark M. Nakashima, Chair
Representative Jarrett Keohokalole, Vice Chair
Members of the House Committee on Labor and Public Employment

Re: Testimony in Strong Support of HB 496, Relating to Employment

While I strongly support the intent of the changes made to HB496, I am requesting as a mother and entpreneur, that the amendments and language consistent with the original HB 496 not be replaced by HB 535, which is drastically different. As a small business owner, I feel discriminated against that I will not be able to offer this benefit to my future employee candidates and I may lose out on recruiting top talent because the bill only serves larger companies which I know was not the intent of the original bill.

I have previously been employed with other companies who could not offer family leave and therein I felt forced to choose a different career path so that I could have a family. As a small business owner now, I believe the trust fund is the most optimal way to implement paid family leave in an equitable way that will only help to shape stronger families in Hawaii. This is a critical opportunity for Hawaii to go demonstrate its priority for families, young and old, as an example to the rest of the nation.

I urge this Committee to pass HB 496 in its original form.

Mahalo,

Melissa Kim
Founder, Haus of Maven
Director of Sales & Marketing, BoxJelly
Kailua

HFIA
HAWAII FOOD INDUSTRY ASSOCIATION

Executive Officers:
John Schilf, RSM Hawaii - Chairperson
Derek Kurisu, KTA Superstores - Vice Chair
Lisa DeCoito, Aloha Petroleum - Treasurer
John Erickson, Frito-Lay - Secretary
Lauren Zirbel, Executive Director

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

LATE

TO:
COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: February 26, 2015
TIME: 3pm
PLACE: Conference Room 308

RE: HB496

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.

While we understand the intent of this measure, we believe that this is too great a financial and administrative burden for both employers and employees. The costs of this fund are not merely the withholdings paid into it, employers and employees will have to expend time and resources calculating, collecting, and contributing to the fund. Those expenditures, along with the 10% of the money collected which will be spent on administering the fund, will never be recuperated by those who contribute to the fund.

Furthermore, this bill makes no mention of what will happen if the cost of benefits paid out plus the cost of administering the fund exceed the amount of withholding collected. We are concerned that this will turn into another unmitigated drain on the general fund.

In this bill the State is not included in the definition of “employer”, and would therefore not be responsible for withholding employee contributions. If the legislature can see that this measure is not a good idea for the state as an employer than surely it is clear that this is not the right choice for the rest of Hawaii’s employers and employees either. Please do not move this measure further.

Thank you for the opportunity to testify.

LATE

To: Finance Committee
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair

From: Autumn Broady, MD, MPH

Date: 2/26/15
Time: 3:00 PM
Location: Room 308

Re: SB 496 HD1 Relating to Employment

Position: STRONGLY SUPPORT

This measure establishes a partial wage replacement for leave trust fund that is funded by employee wage witholdings to be used for four weeks of family leave.

As a provider of women's and perinatal health care, and mother myself, I am keenly aware of the difficult situations that often arise when women are forced to choose between their careers and families. Hawaii, and the United States lag behind a multitude of developed nations who have standardized paid parental leave policies.

Parental leave has been associated with reduced rates of neonatal, perinatal and pediatric deaths based on retrospective studies. Additionally, breastfeeding rates have the potential to be improved by providing paid parental leave, as it is known that while breastfeeding initiation rates between employed and non-employed mothers are identical, those women who work outside of the home tend to breastfeed for shorter periods of time. Parental leave has also been associated with reduced rates of postpartum depression, which is a disorder that can have long-lasting impacts on mothers and their families.

Living in Hawaii has unique challenges. Given the high cost of living, families often sacrifice and pool resources together in order to survive- by having multiple generations in the same housing, by having more than one source of employment, relying on public transportation, etc. In providing paid parental leave, women will be more supported by their employers and communities, and hopefully will no longer need to choose between providing the essentials for their families and to take care of their personal health and the health of their families.

Fortunately, parental leave is not just for mothers—it also benefits fathers as well. It gives fathers more opportunity to have in-depth involvement in infant care as well as in support of their partners.

Finally, paid parental leave has positive impacts on society, employers and the labor force. Paid parental leave is associated with higher employment-to-population rates and decrease unemployment for all workers. Paid family leave also reduces the likelihood that women will quit their jobs in order to take time off. Additionally, paid parental leave has the potential to reduce employee turnover and studies suggest that employees are more likely to return to their pre-leave jobs rather than transitioning to new employment.

Thank you for the opportunity to testify.

LATE

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Testimony to the House Committee on Finance
Thursday, February 26, 2015
3:00 p.m.
State Capitol - Conference Room 308

RE: HOUSE BILL NO. 496 H.D. 1 RELATING TO EMPLOYMENT

Chair Luke, Vice-Chair Nishimoto, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii would like to provide **comments** on H.B. 496 H.D. 1, which establishes a partial wage replacement for leave trust fund funded by employee wage withholdings. Uses the trust fund to provide partial wage replacement for four weeks of family leave.

We understand the intent of this bill is to allow for paid leave in the workplace. However, we are concerned that a wage withholding would unfairly impact employees who may never benefit from the fund. Further, the effect an additional withholding would have on the wellbeing of those employees who live in a fragile economic state should be carefully weighed.

Thank you for the opportunity to express our views on this matter.