# SB 2961

Measure Title: RELATING TO FAMILY LEAVE.

Report Title: Family Leave; Insurance; Private; Appropriation. (\$)

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.

Companion:

Package: None

Current Referral: HMS/CPH, JDL/WAM

Introducer(s): KEITH-AGARAN, BAKER, KIDANI, SHIMABUKURO

HAWAII STATE COMMISSION ON THE STATUS OF WOMEN



Chair LESLIE WILKINS

#### COMMISSIONERS:

SHERRY CAMPAGNA CYD HOFFELD JUDY KERN MARILYN B. LEE AMY MONK LISA ELLEN SMITH

Executive Director CATHY BETTS, JD

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Visit us at: humanservices.hawaii.gov /hscsw/

235 S. Beretania #407 Honolulu, HI 96813 Phone: 808-586-5758 FAX: 808-586-5756 February 4, 2016

 To: Senator Suzanne Chun Oakland, Chair Senator Gil Riviere, Vice Chair Members of the Senate Committee on Human Services Senator Rosalyn Baker, Chair Senator Michelle Kidani, Vice Chair Members of the Senate Committee on Commerce, Consumer Protection and Health

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

Re: Testimony in Strong Support of SB 2961, Relating to Family Leave

On behalf of the Hawaii State Commission on the Status of Women, I would like to thank the Committees for hearing this bill and for the opportunity to testify in support of SB 2961, which would guarantee families' ability to provide care to their loved ones without fearing financial setbacks or potential job loss. Paid family leave has been identified as one of the major means to closing the gender wage gap, which is not set to close in Hawaii until 2058. Each year, Hawaii's women lose 1.4 billion dollars annually due to the wage gap. A lack of paid family leave ensures inequality for women, who still disproportionately serve as family caregivers while also serving as the sole or primary breadwinner in 2/3 of working families.

#### Current Access to Unpaid Family Leave

Currently, employees in Hawaii do not have any right to paid medical or family leave. While the federal Family Medical Leave Act (FMLA, which leaves out 40 percent of the workforce) allows for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees, <u>our own Hawaii Family Leave Law only applies</u> to those with 100 or more employees and allows for 4 weeks of unpaid leave. Only 2% of employers in the State must comply with our Hawaii Family Leave Law, thereby applying to only 16% of the workforce.<sup>1</sup>

For employees at firms of less than 100 employees, the decision of whether one receives unpaid maternity leave, paternity leave, or leave to take care of an aging and ill parent or spouse is completely dependent on one's employer. Most people working in Hawaii cannot take unpaid leave and still maintain financial stability. It is clear that our current law needs to be revised and updated to provide true benefit to workers. Our labor laws should reflect our changing workplace demographics.

Nationally and locally, the FMLA's coverage is narrow. As it is written, the FMLA excludes two-fifths of the workforce.<sup>2</sup> The only partial paid leave is our current Temporary Disability Insurance, or TDI program. However, TDI is time limited and privatized. Further, it is not available for new fathers, nor is it available for family caregiving responsibilities. For most family caregivers, there is no expectation of unpaid or paid family leave. To make the situation even clearer, here is some data on how a lack of paid leave affects our economy and our employees:

- 42% of employees in Hawaii's private sector lack access to even a single day of paid leave.<sup>3</sup>
- Low-wage workers are the least likely to have access to family leave. Children in low income families are more likely to miss out on critical time with their parents during their first weeks of life.

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

California, New Jersey, and Rhode Island have all passed strong state policies providing partial wage replacement for family and medical leave purposes. Washington State passed a strong paid family leave policy and multiple other municipalities with strong economies across the nation have also passed paid family leave legislation (Philadelphia, Portland and Oakland are recent cities offering paid leave). 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 a worker needs 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.<sup>4</sup>
- 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.

#### How SB 2961 would work in Hawaii:

SB 2961 would apply to all employees in the state. All employees would pay in to a fund through a small payroll deduction; employers would not. Individual contractors would have the ability to opt in to the program, and could likewise, opt out. When an employee needs to provide care to a family member, spouse or child, the employee would provide medical certification and would then be allowed to "take out" of the partial wage replacement fund that they originally paid into. All contributions to the fund would be 100% employee funded, so businesses in Hawaii would not incur a fiscal note. Employers would not be paying employees during their leave. By allowing for universal eligibility, the program becomes self sustaining, thereby not relying on any state funds to continue operating. This is win-win for businesses and employees.

#### History and Background of Act 204- Joint Legislative Committee on Family Caregiving:

In 2007, the Joint Legislative Committee on Family Caregiving was created to develop a "comprehensive public policy to strengthen support for family caregivers" via Act 204. The committee's mandate included exploring the establishment of a paid family leave program under the state temporary disability insurance law, similar to the program established in California. <u>The preliminary needs assessment data identified "wage</u> <u>replacement benefits as an appropriate and effective means of supporting family caregivers</u>." Other findings included: 55% of family caregivers are employed and 77% had to take off time from work to deal with caregiving responsibilities.

In 2008, Act 243 required the Joint Legislative Committee on Aging in Place to explore the provision of wage replacement benefits to employees who needed to take time off from work to care for a family member with a serious health condition. From that point, the Family Leave Working Group was established as part of the Joint Legislative Committee on Aging in Place to explore wage replacement benefits. The Working Group endorsed

short and long term concepts incuding: the "establishment of a state sponsored long term care insurance program through employee payroll deductions."<sup>5</sup>

Hawaii has the opportunity to join the rest of the world with this legislation, by passing paid family leave and ensuring a commitment to `ohana. Thank you for this opportunity to provide strong testimony in support.

<sup>&</sup>lt;sup>1</sup> Research & Economic Analysis Division, DBEDT

 <sup>&</sup>lt;sup>2</sup> Family Values at Work, Updated FMLA Survey Results
 <sup>2</sup> National Partnership for Womentany Earnships Farteshipst, available at:

<sup>&</sup>lt;sup>3</sup> National Partnership for Women and Families Fact Sheet, available at:

<sup>4</sup> Eileen Applebaum and Ruth Milkman, Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California (2011).

<sup>&</sup>lt;sup>5</sup> Paid Family Leave Working Group of the Joint Legislative Committee on Aging in Place, Report to the Legislature, pursuant to HB 2520 (Act 243), Regular Session of 2008.

DAVID Y. IGE GOVERNOR



STATE OF HAWAII **DEPARTMENT OF PUBLIC SAFETY** 919 Ala Moana Boulevard, 4th Floor Honolulu, Hawaii 96814 NOLAN P. ESPINDA DIRECTOR

> **Cathy Y. Ross** Deputy Director Administration

Jodie Maesaka-Hirata Deputy Director Corrections

> Shawn H. Tsuha Deputy Director Law Enforcement

No.

# TESTIMONY ON SENATE BILL 2961 RELATING TO FAMILY LEAVE By Nolan P. Espinda, Director

Senate Committee on Human Services Senator Suzanne Chun Oakland, Chair Senator Gil Riviere, Vice Chair

Senate Committee on Commerce, Consumer Protection, and Health Senator Rosalyn H. Baker, Chair Senator Michelle N. Kidani, Vice Chair

> Thursday, February 4, 2016; 1:15 p.m. State Capitol, Conference Room 016

Chair Chun Oakland, Vice Chair Riviere and Members of the HMS Committee: Chair Baker, Vice Chair Kidani, and Members of the CPH Committee:

The Department of Public Safety (PSD) opposes Senate Bill (SB) 2961.

Civil Service Employees already receive a generous package of benefits consisting of paid vacation leave (21 days per year), paid sick leave (21 days per year), workers' compensation wage replacement (Indefinite), and temporary disability insurance (maximum 26 weeks per year), all of which may be applied concurrently with family and medical leave. The family and medical leave (12 weeks) can presently consist of paid and/or unpaid leave utilizing an individual's accumulated leave credits.

Establishing a new paid leave bank for employees to tap into with the authorization of their personal physicians, alone, will dramatically increase the levels of leaves taken by employees and correspondingly increase the overtime expenditures that will result from this newly created paid leave category.

We recommend this proposal be applied only to private sector employers/ employees who may not receive the generous benefits package afforded to civil service employees.

Thank you for the opportunity to testify.



Feb. 2, 2016

## TO: Honorable Chairs Baker and Chun-Oakland and Members of the Committees

RE: SB2961 Relating to Family Leave Support

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

We support SB 2961 as it would provide for a program of family leave and provides revenue from employees and administration though the Dept. of Labor and Industrial Relations. The American Association of University Women estimates that women in Hawaii earn 83% of what men earn, which is slightly higher than the national average of 77%. This summer our organization paid a student intern, Nicholas Chang, to do a study of the causes of this gap between pay for women and men. One of the key components is the disruption to women's lives caused by child birth and child care. As Nicholas Chang, wrote:

To help mothers afford time to raise their children, a paid family leave would be a good solution. The Hawaii State Disability Act allows women with medical complications associated with their pregnancy or who are recovering from childbirth to be given a paid leave for as long as medically necessary up to 26 weeks. The fatal error in this act is that it allocates no time for mothers to take care of their children, nor does it allow for fathers to spend time raising their children either. The United States Health and Human Services Department stated very clearly that the presence of both the mother and father is invaluable for the well being of a developing child. Not all women can afford to take time off of their jobs, and yet see nurturing their new child as crucial. A study from the University of North Carolina proves that paid family leave programs in Europe can noticeably reduce infant mortality rates, and improve the general health of children.

Therefore we support a bill to give family leave and support the program to include both parents.

Thank you for your consideration.

Sincerely,

John Bickel President



To: Senator Suzanne Chun Oakland, Chair Senator Gil Riviere, Vice Chair Members of the Committee on Human Services

> Senator Roz Baker, Chair Senator Michelle Kidani, Vice Chair Members of the Commerce, Consumer Protection and Health

From: Janel A. Takasaki, RN, IBCLC President, Breastfeeding Hawaii

# **RE: Testimony in Strong Support of SB 2961 Relating to Family Leave**

Date: Thursday, February 4, 2016 1:16pm Room 016

On behalf of Breastfeeding Hawaii, a non profit 501 c 3 organization providing protection, promotion and support for breastfeeding, I would like to thank this Committees for hearing SB2961. This bill would guarantee partial wage replacement up to 66% for an employee to care for their loved one, such as a newborn or adopted baby, without fearing financial setbacks or potential job loss for 12 weeks in one 12 month period. This legislation proposes a universal paid family leave with all employees paying in and all employees taking out.

Members of Breastfeeding Hawaii work daily with families who need to make very difficult choices between putting food on their table and having a time to establish a strong bond with their infant. They may need to take their very small infant ,often 4-6 weeks old , with an immature immune system, to a childcare setting where the infant is exposed to pathogens foreign to the infant's home. It is a very gut wrenching situation that many women in our State go through every day. If the mother chooses to not return to employment she puts her family in financial jeopardy.

Research states that when mothers and infants spend times bonding, breastfeeding and getting to know each other during extended maternity leave, they form a strong relationship and attachment that carries over to other relationships in the child's future life. Further research states that maternity leave lowers infant mortality rates, illnesses and hospitalizations for both the mother and the infant . In terms of research on the needs of the father , the Organization for Economic Cooperation and Development states that paternity leave helps fathers become more competent in caring for and committed to the needs of the child.

The United States is the only country among industrialized countries around the world that does not universally provide paid maternity and paternity leave for mothers and fathers. Our President would like to change this situation on the national level and has proposed again this idea to Congress in his recent State of the Union Address last January. Other states, most notably California, New Jersey and Rhode Island have created paid leave programs for families and feel that they have been of benefit to families and not a liability to businesses. Presently there are 20 other states that are actively working to pass legislation similar to this bill.

If the Hawaii Legislature truly values children in our society, we need to develop laws and policies to support them at a time when a mother, father and infant need to be together the most. We are in favor of employees contributing to an independent family leave trust fund as described in this bill. Established for future use as paid maternity/family leave, it would be a way to correct the situation in our State.

Our organization encourages you to favorably pass this legislation out of your committees.



# Testimony to the Senate Committee on Human Services & Committee on Commerce, Consumer Protection, and Health Thursday, February 4, 2016 at 1:15 P.M. Conference Room 016, State Capitol

# **RE:** SENATE BILL 2961 RELATING TO FAMILY LEAVE

Chairs Chun Oakland and Baker, Vice Chairs Riviere and Kidani, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **opposes** SB 2961, 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, and appropriates funds to DLIR to implement the program.

The Chamber is Hawaii's leading statewide business advocacy organization, 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. One concern on the bill is the cost and management of the fund, and whether a shortage will lead to a future employer tax. In addition, we do have concerns on the large leave allowed and the adverse effects on business 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.



250 Vineyard Street Honolulu, Hawaii 96813 (808) 521-9531 FamilyProgramsHawaii.com

- TO: Committee on Human Services Senator Suzanne Chun Oakland, Chair Senator Gil Riviere, Vice Chair Committee on Human Services Senator Rosalyn H. Baker, Chair Senator Michelle N. Kidani, Vice Chair
- HEARING: Thursday, February 4, 2016 1:15 PM Conference Room 016
- FROM: Judith Wilhoite Family Advocate Family Programs Hawaii, It Takes An Ohana
- RE: SB 2961 Relating to Family Leave

Thank you for the opportunity to testify. I am the Family Advocate for Family Program Hawaii's *It Takes An Ohana* (ITAO) program and a resource caregiver. We strongly support SB 2961.

"While we have known for a long time about the maternal and infant health benefits of leave policies, we can now link paid family leave to greater labor force attachment and increased wages for women, as well as to reduced spending by businesses in the form of employee replacement costs, and by governments in the form of public assistance," says Linda Houser, an affiliate fellow of the Center for Women and Work an assistant professor at Widener University. She authored a Rutgers study commissioned by the National Partnership for Women and Families.

This same study found, in the year after giving birth, women who take paid leave have been *about 40 percent less likely to receive public aid or food stamps*. That is a huge benefit to everyone!

I am happy that this bill includes allowing caregivers to stay home with new foster and adopted children. What is even more important is that this bill may help reduce child abuse and the number of children who entry into foster care at all by allowing mothers who otherwise would not be able to stay home with their new babies to do so. Transition from being "one" with the mother to being out in the cold, harsh world is a hard transition for all babies. When bonding between baby and mother occurs, science shows a decrease in harsh and ineffective discipline and parent control tactics. This is a positive for ALL.

President Obama said "It's time we stop treating child care as a side issue or a women's issue, and treat it like the national economic priority that it is," We agree wholeheartedly and are thankful for this opportunity to express strong support for SB2961.





Here is a quick look at how America compares to the rest of the world:

#### TABLE 1

#### The United States—the paid leave outlier

International comparisons of parental leave-weeks of full-time equivalent paid and unpaid leave

|                |  | Parental leave        |   |
|----------------|--|-----------------------|---|
|                | Weeks of paid leave,<br>in full-time equivalents | Weeks of unpaid leave | Total weeks of leave<br>(paid and unpaid) |
| France         | 22   | 296                   | 318                                       |
| Spain          | 18   | 294                   | 312                                       |
| Germany        | 47   | 123                   | 170                                       |
| Sweden         | 47   | 116                   | 163                                       |
| Norway         | 44   | 106                   | 150                                       |
| Austria        | 16   | 100                   | 116                                       |
| United Kingdom | 13   | 67                    | 80  |
| Ireland        | 21   | 49                    | 70  |
| Italy          | 25   | 44                    | 69  |
| Australia      | 9  | 52                    | 61  |
| Greece         | 34   | 26                    | 60  |
| Japan          | 26   | 32                    | 58  |
| New Zealand    | 14   | 40                    | 54  |
| Canada         | 28   | 25                    | 53  |
| Denmark        | 20   | 32                    | 52  |
| Finland        | 32   | 16                    | 48  |
| Belgium        | 18   | 25                    | 43  |
| Netherlands    | 16   | 26                    | 42  |
| Portugal       | 18   | 13                    | 31  |
| United States  | 0  | 24                    | 24  |
| Switzerland    | 11   | 3                     | 14  |

Sources: Rebecca Ray, Janet C. Gornick, and John Schmitt, "Parental Leave Policies in 21 Countries: Assessing Generosity and Gender Equality" (Washington, D.C.: Center for Economic and Policy Research, 2008); Commonwealth of Australia, "Australia's Paid Parental Leave Scheme: Supporting Working Australian Families" (2009).

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TO : SENATE COMMITTEE ON HUMAN SERVICES Senator Suzanne Chun Oakland, Chair Senator Gil Riviero, Vice Chair

> SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND HEALTH Senator Rosalyn H. Baker, Chair Senator Michelle N. Kidani, Vice-Chair

**FROM:** Eldon L. Wegner, Ph.D., Hawaii Family Caregiver Coalition (HFCC)

# SUBJECT: SB 2961 Relating to Family Leave

**HEARING:** 1:15 pm Thursday, February 4, 2016 Conference Room 016, Hawaii State Capitol

**POSITION**: The Hawaii Family Caregiver Coalition **strongly supports SB 2961** which proposes a family leave program with partial wage replacement for up to 12 weeks for an employee caring for an ill or disabled person of any age. The program will be totally funded by contributions from the wages of employees into a trust fund administered by the Department of Labor and Industrial Relations. The bill appropriates moneys to establish the trust fund and the program.

# **RATIONALE:**

I am offering testimony on behalf of the Hawaii Family Caregiver Coalition (HFCC), which is a coalition of agencies and individuals committed to addressing the needs and improving the ability family caregivers to provide quality care for their frail and disabled loved ones.

- Family caregivers provide 70% of the care for frail elderly persons and thus bear the major burden and expense of care.
- The majority of family caregivers are also in the workforce and their employment is necessary to support the needs of their families as well as to assure that they will have sufficient social security and savings to support themselves in retirement.
- Although federal and state policies currently enable family caregivers to receive unpaid family leave, employed caregivers in Hawaii currently have no financial assistance when they must take leave to provide care for family members.
- The Trust fund proposed by SB 2961 would enable family caregivers to receive partial wage replacement when taking short periods of leave to deal with crises which occur in their families while making it possible to continue their employment and avoid the negative financial consequences of dropping out of the workforce.
- Paid family leave for caring for family members has been established in growing number of states, with California having 10 years of its successful program. Paid leave is also found in most developed countries We believe that providing a mechanism for this support for family caregiving is feasible and overdue in Hawaii.

I urge you to pass this much needed bill. Thank you for allowing me to offer testimony.



Date: February 3, 2016

To: The Honorable Suzanne Chun Oakland, Chair The Honorable Gil Riviere, Vice Chair Members of the Senate Committee on Human Services

> The Honorable Rosalyn H. Baker, Chair The Honorable Michelle N. Kidani, Vice Chair Members of the Senate Committee on Commerce, Consumer Protection, and Health

From: Jessica Yamauchi, Executive Director, Hawai'i Public Health Institute

# Re: Strong Support for SB 2961, Relating to Family Leave

Hrg: February 4, 2016 at 1:15 pm at Capitol Room 016

Thank you for the opportunity to offer testimony in strong support of SB 2961, Relating to Family Leave.

The Hawai'i Public Health Institute (HIPHI) supports and promotes policy efforts to create a healthy Hawai'i. HIPHI weaves silos into working relationships as an effective network, ensuring that we come together across sectors to advance collaboration and innovation in public health and work towards making Hawai'i the healthiest place on earth.

HIPHI strongly supports SB 2961 which will establish a family leave insurance program, requiring 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. Paid time off for families to care for a newborn also helps to establish a foundation in breastfeeding. Infant feeding practices can greatly affect later growth and development and can be a protective factor against obesity.<sup>1</sup> The American Academy of Pediatrics and the World Health Organization recommend exclusive breastfeeding for the first six months of life and continued breastfeeding with the addition of other foods until a child is at least twelve months of age.<sup>2</sup>

"A robust body of evidence suggests that breastfeeding has multiple health benefits for infants, and that paid family leave (and other forms of maternity leave) significantly increases the length of time that mothers breastfeed. In a review and analysis of studies of breastfeeding in developed countries, the U.S. Agency for Healthcare Research and Quality found that full-term infants fed

<sup>1</sup>S. Arenz et al., *Breast-feeding and childhood obesity - a systematic review*, 28(10)

International Journal of Obesity and Related Metabolic Disorders 1247-56 (2004).

<sup>2</sup> American Academy of Pediatrics, AAP Reaffirms Breastfeeding Guidelines,

https://www.aap.org/en-us/about-the-aap/aap-press-room/pages/AAP-Reaffirms-Breastfeeding-Guidelines.aspx (last updated February 27, 2012).

formula are at substantially greater risk than breastfed infants for acute ear infection, eczema, gastrointestinal infection, hospitalization for lower respiratory tract diseases in the first year of life, asthma, childhood obesity, Type 2 diabetes, leukemia, and sudden infant death syndrome (SIDS)." <sup>3</sup>

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

Paid family leave is beneficial for everyone. I ask that you support SB 2961 and pass this measure out of committee.

Thank you for the opportunity to provide testimony.

Vamauch

Jessica Yamauchi, MA Executive Director

<sup>&</sup>lt;sup>3</sup> http://www.nccp.org/publications/pdf/text 1059.pdf



February 2, 2016

To: **Senate Committee on Human Services** Senator Suzanne Chun Oakland, Chair Senator Gil Riviere, Vice Chair

To: **Senate Committee on Commerce, Consumer Protection, and Health** Senator Rosalyn H. Baker, Chair Senator Michelle N. Kidani, Vice Chair

From: Michelle Rocca, Training and Technical Assistance Director Hawaii State Coalition Against Domestic Violence

# Re: Testimony in Support of SB 2961, Relating to Employment

Good afternoon Chair Chun Oakland, Chair Baker, Vice Chair Riviere, Vice Chair Kidani and members of the committees. On behalf of the Hawaii State Coalition Against Domestic Violence we thank you for the opportunity to share our testimony in **support of SB 2961** relating to employment. This measure will ensure families will have the opportunity and ability to provide necessary care to their loved ones without fear of economic consequences or job loss.

As you are aware, Hawaii residents currently do not have any formal rights to access paid medical or family leave and have only the federal FMLA statute to assist, if they qualify. Our current Hawaii Family Leave Act only applies to businesses that employ 100 or more individuals leaving out a great portion of the population, particularly in rural areas and neighbor islands.

The United States is the only industrialized nation not to mandate paid family leave for the care of newborn children. As a state, Hawai'i has taken little action to address this and has no structured paid family leave, unless an employer willingly provides it. In fact, the only paid leave in Hawai'i is partial wage replacement through our TDI system, which is not available to new fathers or to family members caring for ill or elderly family members. It is imperative that we act quickly to implement HB 496 to alleviate these concerns as it is projected that by the year 2020 approximately 40 percent of the workforce will be providing care for aging parents.

# Paid leave is pro-business, pro-family, and a win-win-win for employees, small and large businesses, and ultimately, the Hawai'i state economy.

Thank you for your consideration and for the opportunity to provide testimony on this matter.



COMMITTEE ON HUMAN SERVICES Senator Suzanne Chun Oakland, Chair Senator Gil Riviere, Vice Chair

COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH Senator Rosalyn H. Baker, Chair Senator Michelle N. Kidani, Vice Chair

DATE:Thursday, February 04, 2016TIME:1:15pmPLACE:Conference Room 016

The Coalition is in Support of SB2961 that 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.

Aloha, Chair Chun Oakland, Chair Baker and members,

Currently, employees in Hawaii do not have any right to **paid** medical or family leave. While the federal Family Medical Leave Act (FMLA, which leaves out 40 percent of the workforce) allows for **unpaid leave** with job protection up to 12 weeks for employers with 50 or more employees, our own Hawaii Family Leave Act only applies to those with 100 or more employees and allows for job protection for up to 4 weeks. 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**. Further, only 2% of companies in Hawaii and 16% of the workforce are protected by our HFLA. It is clear that our current law needs to be updated to provide true benefits to employees.

In addition 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.

Nationally and locally, the FMLA's coverage is narrow. As it is written, the FMLA excludes two-fifths of the workforce. The only partial paid leave is our current Temporary Disability Insurance, or TDI program. However, **TDI is time limited, privatized, and has little to no enforcement mechanism.** For new moms, using TDI means you may be able to receive partial wage replacement for 6 to 8 weeks, depending on the type of birth you have. For many others, including government employees, there is no expectation of receiving TDI, even to recover after giving birth. For most family caregivers, there is no expectation of unpaid or paid family leave.

To make the situation even clearer, here is some data on how a lack of paid leave affects our economy and our employees:

- ⇒ Nearly 25% of adults in the United States have lost a job or been threatened with job loss for taking time off due to illness. Only 11% of workers in the United States have access to paid family leave through their employers. This means that millions of workers, who develop health issues, have ill family members or who become parents are forced to choose between a paycheck and their family member.
- ⇒ Families are pushed into financial crisis because of lost wages or a job loss as a result of a birth or other health needs. A significant number of bankruptcies occur after a worker misses two or more weeks due to illness.
- ⇒ Low-wage workers are the least likely to have access to family leave. Children in low income families are more likely to miss out on critical time with their parents during their first weeks of life.

It is worth noting that other states have successfully implemented paid family leave policies with no economic disadvantage to businesses. Consider the following:

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.
- $\Rightarrow$  Small businesses were less likely than larger establishments to report any negative effects.
- $\Rightarrow$  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.
- $\Rightarrow$  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.

SB 2961 would apply to all employees in the state and would be revenue neutral save for start up cost. All employees would pay in to a fund through a **small payroll deduction**; **employers would not**.



When an employee needs to provide care to a family member, spouse or child, the employee would provide medical certification and would then be allowed to "take out" of the partial wage replacement fund that they originally paid into. All contributions to the fund would be 100% employee funded. By allowing for universal eligibility, the program becomes self-sustaining, thereby not relying on any state funds to continue operating. This is win-win for businesses and employees.

Please pass this bill that will do some much to improve the lives of working women and men, their employers, as well as our economy.

Mahalo for the opportunity to testify, Ann S. Freed Co-Chair, Hawai`i Women's Coalition Contact: <u>annsfreed@gmail.com</u> Phone: 808-623-5676



February 2, 2016

From: Lisa Kimura, Executive Director, Healthy Mothers Healthy Babies Coalition of Hawaii



Testimony in Support of SB 2961: Paid Family Leave / Family Leave; Insurance; Private; Appropriation – Hearing: February 4, 2016 at 1:15pm

**babies** COALITION OF HAWAII Thank you for this opportunity to provide testimony in support of SB 2961, to allow families the opportunity to receive paid leave for family caregiving responsibilities. Hawaii families frequently find themselves choosing between a paycheck and their family needs during critical periods of life – something no one should be forced to do.

We are working to provide universal eligibility, job protection, and partial wage replacement through a <u>100% employee funded</u> <u>payroll contribution</u>. In the event an employee has to <u>care for a newborn, adopted child, or family member (including spouses</u> <u>and parents)</u> with a serious illness, this means not having to choose between a paycheck and family. The United States is the ONLY industrialized nation not to mandate paid family leave for the care of a newborn child.

Paid Family Leave (PFL) has significant positive effects on maternal and child health, including:

- Infant and Child Mortality: International studies suggest that newborn leave is associated with lower infant and child mortality rates.
- **Breastfeeding:** Women are less likely to breastfeed exclusively, and they breastfeed their infants for a shorter period of time the sooner they return to work after giving birth.
- Child Development: Early maternal employment (e.g., within the first year of the child's life) is associated with detriments in children's development. Negative effects are worse if mothers return to work early and full-time.
- **Paternal Involvement:** Fathers who take time off for leave spend more time with and are more involved with their children, both around the time of birth and in later months.
- Maternal Depression and Anxiety: Generally, shorter leaves are associated with more symptoms of maternal depression or anxiety, and longer leaves are associated with better mental health, with these effects seen as early as 6 weeks postpartum.

Paid leave is pro-business, pro-family, and a win-win for employees, small and large businesses, and ultimately, Hawaii's economy.

#### Paid Family Leave is cost-effective for employers:

• Paid leave makes fiscal sense for small and large businesses because business owners do not contribute to an employee's replacement income.

• Paid leave is a form of work-life support solely funded by employees.

- Paid leave reduces absenteeism.
- Paid leave will increase business revenue and retain the best possible workforce.

• Paid leave **reduces turnover costs**. A 2011 study of California's family leave program found that it would save employers \$89 million a year by improving employee retention and reducing costs of hiring and training new employees.

• The Small Business Majority supports family medical leave and also supports proposals paid for by payroll contributions.

(See smallbusinessmajority.org/small-business-research/family-medical-leave/092713-FML-report.php)

#### Paid Family Leave is cost-effective for the State:

• Paid leave is revenue neutral. As a self-sufficient, employee-funded program, PFL will not add to the state budget.

• Paid leave helps keep families off public assistance and saves the state money devoted to elder care by promoting immediate and long term health outcomes for mothers, children, and aging relatives.

#### Why is Paid Family Leave necessary?

• The number of children with parents or their only parent working (nearly 66% of all children in the U.S.) has increased by 13% since the drafting of FMLA.

- Seven percent of people who filed for bankruptcy in 2010 cited costs associated with the birth of a child as the cause.
- By 2020, about 40% of the workforce will be providing care for older parents.
- Nearly 25% of adults in the U.S. have lost or job or been threatened by job loss for leave due to illness.
- Only 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.

• Women in Hawaii can apply for TDI after giving birth, but it is time-limited. Fathers are not eligible to apply.

• Hawaii has one of the highest rates of grandparents as primary caregivers for grandchildren.

• In Hawaii the majority of families are "working families" who cannot afford to take unpaid leave--- paid family leave alleviates economic instability for struggling families by ensuring job security.

# Healthy Mothers Healthy Babies Coalition of Hawaii and the Paid Family Leave Coalition has collected personal stories from families in the state of Hawaii on the importance of paid family leave:

"It is foolish to believe that in 6 weeks you and your child are used to the 'new' way of life, new schedule, new everything. Life changes whether it is your first child [or] an addition to your family. Having a newborn is worrisome, and for your health and that of your baby, you shouldn't be worried about going back to work, pumping, stressing with boss/coworkers, but at home focusing all your much needed energy on baby. It doesn't take 6-8 weeks to completely recover from giving birth and it is hard to get any good amount of sleep even after 6 weeks, especially [for] breastfeeding moms. For the health of our children, moms should be able to stay home much longer. In Canada, they get up to a year. In France, they go on leave from 10 weeks prior to due date, and stay home 12 weeks after due date, ALL COMPENSATED IN FULL (not just 2/3 disability!!!). In order for our children to be healthy, and in order for them not to become a burden to society (permanent disability, obese, diabetic, asthmatic...), it is so crucial to be able to properly bond with your child!!"

- Terevarevahaunui Jacobson, Maui

"How about when you, yourself, a single mother and a school teacher for the state, end up with cancer and the doctor signs you out of work for six months for your chemotherapy treatment and you MAY get UP TO a whopping 15 days of Temporary Disability?? AND, you have to pay your own health insurance, over \$600/month, out of pocket. Everything else, you have to cover yourself. They told me to go apply for welfare. Really? I wonder how they treat their teachers in other countries?"

- Lori Sturm, Kihei

"Some women are single mothers [and] some families barely get by with both paychecks. We need this. A few weeks or days are not enough"

– Corey Utu Peters, Kalihi

"Worker to working mother... I'm still adjusting. Employers allow [breast] pumping at work and must provide a safe place, but it's different from actually breastfeeding. I love my son and being a mother, but I also love to work. ...6 weeks was not enough. I had complications during my second trimester and was out of work during my pregnancy with little support from disability. The adjustment was difficult because within a month my child's eating and sleeping pattern changed. How is that fair for both employee and employer? Sleepless nights are not good for the baby or mother, putting both of them in danger."

– Hanna Mae Bueno, Ewa Beach

"If we, as a nation, want to strive to be the best in the world, we need to nurture every generation, starting at home, from the beginning. We are already too far behind most other first world countries when it comes to support of paid family leave. IT'S TIME TO DO BETTER."

– Megan Mario, Honolulu

"I had to go on 6 weeks unpaid leave, which was not enough time to recoup and bond, but by that time I had no choice but to go back to work as I needed the income. I felt helpless and angry that I couldn't have more time to nurture my family. This is a measure that I think is incredibly important to support. It not only makes sense to support healthy and happy family life, but supporting happy and productive employees makes business sense. When I went back to work I was exhausted, hormonal, distracted, and not as productive as I was before. I was fortunate to have a private office where I could pump, but many women are not so lucky. I was also fortunate enough to be able to work from home part time (a deal I had to strike when I was hired due to the low pay), but many women are not so lucky. Parents are the most loyal beings on earth. Think of the commitment level of a happy parent that feels supported in raising a family."

– Gwen Woltz, Kaaawa

"Let's see... Increased breastfeeding numbers; Better bonding = less social issues; Better parenting through support for parents; Less financial burden/less stress on new patents = more productive workers. We had a terrible experience with our elder child and so I chose to stay home this time until my son was old enough to communicate what was happening during his day. Finding reliable child care for my son, now that I am working, that doesn't cost my whole paycheck is hard. Trusting someone to take care of your babies for you is even harder. Support our families, let parents be parents!"

- Christina Sorte, Hilo

"These family support policies help to keep our population more balanced, countering our aging society. Without kiddos, we will not have a future labor force, so this is also in business's interest."

- Gayle Flynn, Honolulu
- "Paid family leave is a great idea!!"
  - Jenni Lesmann, Honolulu

"Even though I am a state employee, I was denied temporary disability insurance when I had my second child. I had a repeat c-section, which would have warranted 8 weeks of partially paid leave. I also had postpartum depression, which is considered a disability. I had to exhaust my vacation leave and then take unpaid leave so I could care for my newborn."

– Catherine Betts, Honolulu

"Having time off to bond with my newborn and help my wife would have been so helpful. We need to support families by providing paid leave."

#### – Vincent Kimura, Honolulu

"Paid Family Leave would be awesome... Especially if they increase it to a year like other countries!"

- Heather Sales, Waipahu

"This is one of the reasons I separated from the Navy. Gosh, I can't even type how much this [Paid Family Leave] means, hopefully they extend maternity leave days too. Six weeks is not even close to enough time for a mother and her newborn!"

– Lynn Mandie, Honolulu

"I totally support [this bill]! As a Canadian citizen, I think it's crazy not being able to stay home with the little ones. Those are some of the most important times in a child's life. In Canada, we get one year off."

– Anne-Marie Lerch, Honolulu

"I do not want to live in fear of going broke because a family member or I become sick. Having paid sick days and paid family leave is important because it tells me that I am important to my company. My physical and emotional health is important, and keeping myself healthy allows me to work. Without paid leave, my family had to go through the system to receive TANF. Having paid leave would put less stress on me and my family. I would have more confidence in my company and my own work because of how they were treating me. It would tell me that I am important to my company because they value my health and the health of my family."

Anonymous

To: Sen. Suzanne Chun Oakland, Chair, Sen. Gil Riviere, Vice Chair Committee on Human Services, and Sen. Rosalyn H. Baker, Chair, Sen. Michele N. Kidani, Vice Chair Committee on Commerce, Consumer Protection, and Health
From: Anthony Lenzer, PhD
Subject: <u>Testimony in Strong Support of SB 2961</u>
Hearing: Thursday, Feb. 4, 2016, 1:15 p.m. Conference Room 016

Senators Chun Oakland and Baker and Committee Members:

I am testifying in strong support of Senate Bill 2961 on behalf of the policy advisory board for elder affairs, also known as PABEA. PABEA is an advisory board to the executive office on aging, and also advocates on behalf of Hawaii's older people. My testimony only reflects the views of PABEA and not necessarily those of the executive office on aging.

Senate Bill 2961 creates a state-mandated system of paid family leave for all workers, both public and private. PABEA believes that paid family leave is an issue which impacts every part of our population, from young mothers caring for infants, to disabled persons, to family members helping frail parents or grandparents. This is a nationwide issue, but of special relevance in Hawaii, where the cost of living is so high. Given this situation, many in Hawaii are forced to work more than one job, and it is typical for both husband and wife to be employed. What happens when a family member becomes ill and requires care? The working family member faces a situation in which he or she must take unpaid leave in order to provide such care, and thereby suffer a serious loss of income. This is because neither federal law nor Hawaii statutes require paid family leave. The Federal and Medical Leave act of 1993 allows 12 weeks of unpaid leave for employees of businesses which employ 50 or more people. About 5% of Hawaii's employers have to comply with the federal law. Our own Hawaii Family Leave Law allows 4 weeks of unpaid leave to employees of businesses that have 100 or more workers. Only about 2% of Hawaii businesses have to comply with this law. The only type of paid leave in Hawaii is partial wage replacement through the TDI system. However, TDI only applies to very limited situations in which home care is needed.

Senate Bill 2961 would amend our family leave law to include a wage replacement program for caregivers. Wage replacement would be capped at 66% of wages. Employees would pay for this program, and it would not require contributions from the state or from employers. The law would cover all employees; self-employed persons can opt in. It would allow

workers to designate a wide range of persons for whom care might be needed when leaves are taken. Leave provisions include a number of situations in which military personnel and their families are involved. The bill also includes a complaint/grievance procedure for applicants who have been denied family leave benefits.

There are many reasons why paid family leave is necessary, including the following: Hawaii has over 150,000 workers who also served as primary caregivers for a family member; by 2020, about 40% of the workforce will be providing care for older parents; and about 40% of Hawaii's workers do not have access to a single day of leave from work. Paid leave also gives new mothers an opportunity to bond with their infants, which is so important for child growth and development. Finally, paid leave will help families obtain economic security, which in turn results in a more stable and productive workforce. Thus paid leave is a win-win for employees, businesses both large and small, and ultimately the economy of our state. Thank you for the opportunity to testify on this important legislation.

| From:    | mailinglist@capitol.hawaii.gov                          |
|----------|---|
| To:      | HMS Testimony   |
| Cc:      | laurie.field@ppvnh.org                                  |
| Subject: | *Submitted testimony for SB2961 on Feb 4, 2016 13:15PM* |
| Date:    | Tuesday, February 02, 2016 3:02:20 PM                   |

Submitted on: 2/2/2016 Testimony for HMS/CPH on Feb 4, 2016 13:15PM in Conference Room 016

| Submitted By | Organization  | Testifier<br>Position | Present at<br>Hearing |
|--------------|---|-----------------------|-----------------------|
| Laurie Field | Planned Parenthood<br>Votes Northwest and<br>Hawaii | Support               | No                    |

Comments:

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

| From:    | mailinglist@capitol.hawaii.gov                        |
|----------|---|
| To:      | HMS Testimony   |
| Cc:      | carl@votecampagna.com                                 |
| Subject: | Submitted testimony for SB2961 on Feb 4, 2016 13:15PM |
| Date:    | Tuesday, February 02, 2016 10:58:35 PM                |

Submitted on: 2/2/2016 Testimony for HMS/CPH on Feb 4, 2016 13:15PM in Conference Room 016

| Submitted By  | Organization | Testifier<br>Position | Present at<br>Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Carl Campagna | Individual   | Support               | No                    |

Comments: I would like to thank the Committee for hearing this bill and for the opportunity to testify in support of SB2961, which would guarantee families' ability to provide care to their loved ones without fearing financial setbacks or potential job loss. Currently, employees in Hawaii do not have any right to paid medical or family leave. While the federal Family Medical Leave Act (FMLA, which leaves out 40 percent of the workforce) allows for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees, our own Hawaii Family Leave Act only applies to those with 100 or more employees and allows for job protection for up to 4 weeks. 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. Further, only 2% of companies in Hawaii and 16% of the workforce are protected by our HFLA. It is clear that our current law needs to be revised and updated to provide true benefit to employees. 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.

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.

| From:    | mailinglist@capitol.hawaii.gov                          |
|----------|---|
| To:      | HMS Testimony   |
| Cc:      | joyamarshall0416@gmail.com                              |
| Subject: | *Submitted testimony for SB2961 on Feb 4, 2016 13:15PM* |
| Date:    | Tuesday, February 02, 2016 5:37:11 PM                   |

Submitted on: 2/2/2016 Testimony for HMS/CPH on Feb 4, 2016 13:15PM in Conference Room 016

| Submitted By | Organization | Testifier<br>Position | Present at<br>Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Joy Marshall | Individual   | Support               | No                    |

Comments:

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Submitted on: 2/3/2016 Testimony for HMS/CPH on Feb 4, 2016 13:15PM in Conference Room 016

| Submitted By | Organization | Testifier Position | Present at<br>Hearing |
|--------------|--------------|--------------------|-----------------------|
| judi riley   | Individual   | Comments Only      | No                    |

Comments: As a self employed business owner support paid leave. The foundation of our communities start with our families. The high cost of living in Hawaii requires two incomes. The United States is the only developed nation in the world without guaranteed, paid parental leave. A democratic, civilized society should guarantee these benefits for the working families and middle class of our country.

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.

| From:    | mailinglist@capitol.hawaii.gov                        |
|----------|---|
| To:      | HMS Testimony   |
| Cc:      | kaikea777@yahoo.com                                   |
| Subject: | Submitted testimony for SB2961 on Feb 4, 2016 13:15PM |
| Date:    | Wednesday, February 03, 2016 10:49:32 AM              |

Submitted on: 2/3/2016

Testimony for HMS/CPH on Feb 4, 2016 13:15PM in Conference Room 016

| Submitted By | Organization | Testifier<br>Position | Present at<br>Hearing |
|--------------|--------------|-----------------------|-----------------------|
| kathi jones  | Individual   | Support               | No                    |

Comments: I am in favor of this bill please

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

# TESTIMONY IN SUPPORT OF SB 2961 RELATING TO FAMILY LEAVE COMMITTEE ON HUMAN SERVICES COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

Senator Suzanne Chun Oakland, Chair, Human Services Senator Gil Riviere, Vice Chair, Human Services

Senator Rosalyn H. Baker, Chair, Commerce, Consumer Protection, And Health Senator Michelle N. Kidani, Vice Chair, Commerce, Consumer Protection, And Health

Thursday, February 4, 2015 at 1:15pm Conference Room 016

Aloha Chairs Chun Oakland and Baker and Vice Chairs Riviere and Kidani, and Members of the Committees:

My name is Kathleen Algire-Fedarcyk and I am a social worker focused on economic policy.

Standards in labor policy are changing. We know that when a worker has to choose between their families and their jobs, no one wins. Hawai'i has the opportunity to implement better work place standards. We can longer continue to push this issue down the road. Now is the time to enact SB 2961, a family leave policy that benefits our families, workers and economy.

Paid family and medical leave is a labor policy that has positive benefits beyond the individual, extending into the community. Not only have states with a paid leave policy seen an increase in the health and well-being in new mothers and infants, but the community will in turn see a healthier future workforce. Likewise, when adults have the ability to care for their family members, like aging parents, instead of leaving the workforce, companies and businesses can continue to benefit from their experience and institutional knowledge. Regardless of the size of the company, an employee leaving is a tumultuous time and replacing that employee is costly and time consuming. Employees and businesses deserve better than this archaic labor practice. Paid family and medical leave allows workers the time needed to care for their families without businesses losing essential employees.

As noted in several studies, workers who received paid family and medical leave are more likely to return to their jobs and see an increase in their earnings upon returning. Although family and medical leave is not solely a women's issue, women's earning do benefit to a greater extent. For women who already earn less than their male counterparts, any decrease or break in earnings means a significant loss for retirement and savings. The impact of taking unpaid leave for any portion of time has long-term, negative consequences for the worker, their family, and their local economy. Our families are already struggling to make ends meet, we need policies that support our working families.

The time to move beyond outdated labor practices is now. By passing SB2961, we can do better for our working families, businesses, and state.

Submitted on: 2/3/2016 Testimony for HMS/CPH on Feb 4, 2016 13:15PM in Conference Room 016

| Submitted By    | Organization | Testifier<br>Position | Present at<br>Hearing |
|-----------------|--------------|-----------------------|-----------------------|
| Lalena Thompson | Individual   | Support               | No                    |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

February 3, 2016

To: Senator Suzanne Chun Oakland, Chair, Senator Gil Riviere, Vice Chair, Members of the Senate Committee on Human Services and Senator Rosalyn H. Baker, Chair, Senator Michelle N. Kidani, Vice Chair and Members of the Committee on Commerce, Consumer Protection and Health

From: Lisa Ellen Smith

Re: Testimony in Support, SB 2961 Relating to Family Leave

Thank you for this opportunity to provide testimony in strong support of SB 2961. Here in Hawaii roughly 40% of Hawaii's workers lack access to a single day of sick leave from work. The majority of families here are working families who cannot afford to take unpaid leave, it leaves mothers with no choice but to go immediately back to work after giving birth, it allows no opportunity for fathers to bond with their newborn children. Senior parents are left to fend for themselves when they have serious health issues as their working age children must go to work to pay their rent and bills.

For all working families in our state, for the children of our state and for the seniors of our state – Paid Family Medical Leave would provide the opportunity for all to take care of what is truly important to each of us, our ohana.

Thank you for this opportunity to testify in strong support of SB 2961.

Submitted on: 2/3/2016 Testimony for HMS/CPH on Feb 4, 2016 13:15PM in Conference Room 016

| Submitted By          | Organization | Testifier<br>Position | Present at<br>Hearing |
|-----------------------|--------------|-----------------------|-----------------------|
| Monica Heller-Hackett | Individual   | Support               | No                    |

Comments:

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## **TESTIMONY IN SUPPORT OF SB 2961 RELATING TO FAMILY LEAVE**

# COMMITTEE ON HUMAN SERVICES COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

Senator Suzanne Chun Oakland, Chair, Human Services Senator Gil Riviere, Vice Chair, Human Services

Senator Rosalyn H. Baker, Chair, Commerce, Consumer Protection, And Health Senator Michelle N. Kidani, Vice Chair, Commerce, Consumer Protection, And Health

## Thursday, February 4, 2015 at 1:15pm Conference Room 016

# Aloha Chairs Chun Oakland and Baker and Vice Chairs Riviere and Kidani, and Members of the Committees:

My name is Shay Chan Hodges and I have been a Maui resident for twenty-four years. I have one son who is a graduate of King Kekaulike High School, and is in his first year of college in Pennsylvania and another who is a senior at King Kekaulike. Both have been served by a variety of educational, childcare, and recreational programs in this community.

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 in November 2014, published *Lean On and Lead, Mothering and Work in the 21<sup>st</sup> Century Economy* about the economic impacts of the intersection of work and parenting.

In *Lean On and Lead*, I present a variety of first person narratives and interactive data that describe what parents and other caregivers need in order 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 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.

As you may recall, in July of 2015, U.S. Secretary of Labor Tom Perez came to Hawaii to convene a Roundtable on Paid Family Leave. He spoke about the high numbers of qualified women who drop out of the workforce because the "childcare math" doesn't pencil out, and how this loss of talent impacts the health of the U.S. economy and our nation's ability to compete on a global scale. Furthermore, when women must make the false choice to care for families rather than work outside the home, their wages are reduced in both the short and long-terms, contributing to the gender wage gap.

Conversely, when women are supported in the work force, and do not have to choose between economic livelihood and caregiving responsibilities, their earnings increase dramatically. Currently, women in Hawaii who are employed full time lose a combined total of more than 1.4 billion dollars annually due to the prevailing wage gap, which exists regardless of industry, occupational choice, or educational attainment level.

And these losses are not just connected to the care of children -- nor do they only apply to women. Currently, 240,000 employees serve as primary caregivers to a family member, and by 2020, an estimated forty percent of the workforce will be providing care for older parents. Our economy depends on all of the people of Hawaii having the ability to contribute both labor and intellectual capital, even if they have to take breaks to care for loved ones.

# As Sec. Perez has often stated: "It's time we stop treating child care as a side issue or a women's issue, and treat it like the national economic priority that it is." The same is true for the care of any family member who requires care.

In fact, throughout the nation, innovative employers are recognizing the financial value of providing this necessary benefit to their workers. 2015 saw tech companies like Amazon, Facebook, Yahoo, Microsoft, Netflix, Adobe, Zillow and Spotify institute groundbreaking paid leave policies for American employees. And at least twenty-five localities, including New York City and Boston, and jurisdictions in Minnesota, Oregon, and Pennsylvania, are instituting paid leave for municipal workers this year.

The proposed **SB 2961** would create a trust fund that employees 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 was very gratified to see so many senators in attendance at the Roundtable with Secretary Perez this summer, including Chairs Chun Oakland and Baker, both of whom asked crucial questions about implementation of paid leave policies in Hawaii.

It is clear that 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.

Given the fact that we work and live in one of the country's most expensive states for families with one of the lowest unemployment rates, I urge you to pass SB 2961 this session.

Mahalo,

Shay Chan Hodges Haiku, Maui, Hawaii

Submitted on: 2/3/2016

Testimony for HMS/CPH on Feb 4, 2016 13:15PM in Conference Room 016

| Submitted By     | Organization | Testifier<br>Position | Present at<br>Hearing |
|------------------|--------------|-----------------------|-----------------------|
| Stephanie Austin | Individual   | Support               | No                    |

Comments: Please support this important bill which will positively impact so many Hawaii families!

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