

Friday, March 31, 2017, 9:30 AM Conference Room 211

То:

Re:

Honorable Jill N. Tokuda, Chair Honorable Donovan M. Dela Cruz, Vice Chair Senate Committee Members on Ways and Means





OF HAWAII

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

Comments Regarding H.B. 4 H.D.1 S.D.1: Paid Sick Leave

Thank you for this opportunity for **Healthy Mothers Healthy Babies Coalition of Hawaii to offer comments in regard to H.B. 4 H.D.1 S.D.1,** which would require employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

While good in theory, the amendments that were made to H.B. H.D.1 S.D.1 by the first committee significantly reduce the benefits to the people of Hawaii. HMHB Hawaii is significantly concerned about Section 3 – Use of Paid Sick Leave, item (b); Sections 6 – Applicability, Item (a)(2) and (a)(3). Also, Hawaii's families need paid leave in other forms, such as family leave. Offering only paid sick leave would still leave a portion of Hawaii's families disenfranchised.

Healthy Mothers Healthy Babies Coalition of Hawaii stands in strong support of establishing a Paid Family Leave Program in the State of Hawaii, however, **H.B. 4 H.D.1 S.D.1 only represents one aspect we wish to see in a PFL program**, and therefore we are offering comments.

Any legislative proposal for Paid Family Leave (PFL) should include:

- Universal PFL all employees pay in, and all employees can take out.
- At least 12 weeks of PFL for all.
- **More progressive wage replacement** for lower income workers is preferred in order for low income workers to actually be able to utilize the leave.
- A broad definition of family to encompass the changing demographics of Hawaii's families.
- Wage replacement program for caregivers.
- A cap on wage replacement so higher income workers do not exhaust the fund.
- Biological mothers should not be foreclosed from also using Temporary Disability Insurance (TDI).

Paid Family Leave enables 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%</u> <u>employee funded payroll contribution</u>. In the event an employee has to <u>care for a newborn, adopted child</u>, <u>or family member (including spouses and parents)</u> with a serious illness, this means not having to choose between a paycheck and family.

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

We appreciate the committee considering these comments. Thank you for the opportunity to testify.





Testimony to the Senate Committee on Ways and Means March 31, 2017 State Capitol - Conference Room 211

RE: HB 4, HD1, SD1, Relating to Health

Aloha Chair Tokuda, Vice Chair Dela Cruz and members of the committee:

We are Cara Heilmann and John Knorek, the Legislative Committee co-chairs for the Society for Human Resource Management – Hawaii Chapter ("SHRM Hawaii"). SHRM Hawaii represents more than 800 human resource professionals in the State of Hawaii.

We are writing to respectfully **oppose** HB 4, HD1, SD1, which requires employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care. We feel this measure is unduly burdensome for employers and has the potential to cause potential conflicts with paid and unpaid leave requirements.

Human resource professionals are keenly attuned to the needs of employers and employees. We are the frontline professionals responsible for businesses' most valuable asset: human capital. We truly have our employers' and employees' interests at heart. We respectfully oppose this measure because of the implementation challenges and administrative burden it would impose, and for the potential of unintended conflict with other leave laws.

Thank you for the opportunity to testify.





LATE



DATE:	March 31, 2017
TIME:	9:30 a.m.
PLACE:	Conference Room 211

Re: HB 4, HD1, SD1, Relating to Health

Testimony of Melissa Pavlicek for NFIB Hawaii

Aloha Chair Tokuda, Vice Chair Dela Cruz and members of the committee:

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to House Bill 4, HD1, SD1, which requires employers to provide a certain amount of sick leave.

When it comes to employers providing paid sick time to their employees, we believe that government should not intrude in the employer/employee relationship. Many employers are already flexible in accommodating employee needs and time off requests without conflict and we believe that adding additional leave requirements has the potential to conflict with already-existing state and federal leave requirements.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses 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.



From:	mailinglist@capitol.hawaii.gov
Sent:	Thursday, March 30, 2017 9:30 PM
То:	WAM Testimony
Cc:	krissi@hukilaulanai.biz
Subject:	*Submitted testimony for HB4 on Mar 31, 2017 09:30AM*

<u>HB4</u>

Submitted on: 3/30/2017 Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
kristine miller	hukilau lanai restaurant	Oppose	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.

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March 30, 2017



- To: Senator Jill N. Tokuda, Chair Senator Donovan M. Dela Cruz, Vice Chair Committee on Ways and Means
- From: Deborah Zysman, Executive Director Hawaii Children's Action Network

Re: HB 4 HD 1 SD 1– Relating to Health Hawaii State Capitol, Room 211, March 31, 2017, 9:30 AM

On behalf of Hawaii Children's Action Network (HCAN), we are in OPPOSITION to HB 4 HD 1 SD 1– Relating to Health.

While we are in strong support of sick leave and paid family leave policies, the language currently in this bill would make it the weakest sick leave bill in the nation.

We have serious concerns about the following:

- Limiting this policy only to employers of a certain size. If we limit sick leave to only those employed at larger businesses, the public health risk for sick employees going to work remains the same. Many workers in Hawaii are employed at small companies and they too deserve sick leave/paid leave.
- **Wage cap.** Just because workers make a certain amount over the minimum wage does not mean that these people don't have a need for basic sick leave.
- Allowing employers to determine the way in which employees will take sick leave.

Strong sick leave policies make economic sense not just for the employee but also for the employer. These policies provide the employee job security, better health, less stress, and more satisfaction with their job while reducing costs for employers by eliminating the need to replace workers and sickness of additional workers. An Oxfam America survey of low-wage working mothers found 19 percent reported losing a job because they were sick or they had to care for a sick child. It is estimated that 63% of young children in Hawaii have working parents with 31% of Hawaii's children living in single parent households.

According to the US Department of Labor:

- Four in ten private sector workers, over 40 million people, do not have access to paid sick time.
- Seven in ten low-wage workers whose earnings are in the bottom 25 percent of earners, lack access to paid sick time.
- For those employed in the accommodation and food services industries, 75 percent must choose between losing pay and showing up to work sick or leaving a sick child at home alone.
- Without sick leave, workers are more likely to go to work and infect others. A recent survey of food workers showed that nearly 90 percent went to work when they were sick, including more

than half who did so "always" or "frequently." And of those who worked while sick, almost half (45 percent) reported going to work sick because they could not afford to lose pay.

The amendments that have been made to HB 4 significantly reduce the benefits to the people of Hawaii.

For these reasons, HCAN respectfully requests that the committee hold this measure in committee.





 To: Senator Jill N. Tokuda, Chair Senator Donovan M. Dela Cruz, Vice Chair Members of COMMITTEE ON WAYS AND MEANS
From: Justin Yoshino, VP – Triple F Distribution
Subj: HD1 Requiring Certain Employers to Provide Sick Leave
Date: March 30, 2017

Triple F Distributing, hereby oppose HB 4, HD1.

We are a locally owned and operated restaurant and cleaning supply distribution company that sells over \$25M worth to product to the restaurants and bars in Hawaii. We are currently in out 38th year of business. I am graduate of the University of Hawai'i at Manoa and very active in our community in building a better Hawai'i.

With Hawaii's low unemployment rate, employees have the opportunity to work at other establishments around town. Most restaurants do offer paid time off as a competitive edge, as opposed to some other employers that may not be able to afford this. Their employees enjoy discounts, company events and company-sponsored activities outside of work. These are benefits that they choose to pay in order to keep our good employees and remain competitive. Competitive benefits ensure that their employees are proud to continue to provide excellent service at a popular destination location in Waikiki for both locals and visitors.

We understand that employees will require occasional leave from work due to a legitimate sickness or other reasons, and they generally accommodate and work with them. If they do not, they may leave to find another job.

We urge you to reconsider the notion of revenue per employee vs. size of company as a measure to impose certain rules. Different companies and industries have different cost structures.

Restaurants are not known for their high profit margins and longevity in the industry, so while employee size is one measure success, it is a much less significant measure than other variables in regards to profitability and the ability to sustain increased costs. They have already absorbed a minimum wage increase as well as are continually competing on price with other "industries" that also feed people, like grocery stores, food trucks, food courts.

Bottom line, if this bill is passed, we all lose. Restaurants and bars will order less products from us (their distributors), prices will go up to accommodate the cost of labor and we will dine out less, thus creating a smaller market for the food and beverage business. We urge you not pass this bill out of committee, and say "Mahalo" for considering our point of view while making laws and rules that affect the state.

Justin Yoshino Vice President

Triple F Hawaii

98-735 Kuahao Place Pearl City, Hawaii 96782 M-808.478.2985 B-808.842.9133x107 F-808.842-1184 Justin@FFFHawaii.comwww.FFFHawaii.com



March 30, 2017

To: Honorable Jill N. Tokuda, Chair, Honorable Donovan M. Cruz, Vice Chair, Committee on Ways and Means

Subject: OPPOSITION TO HB 4, HD1 RELATING TO HEALTH

NOTICE OF DECISION MAKING DATE: Friday, March 31, 2017 TIME: 9:30 AM PLACE: Conference Room 211 State Capitol 415 South Beretania Street

Dear Chair Tokuda, Vice Chair Donovan, and Members of the Committee,

I am writing on behalf of Fair Wind Cruises, a family-owned and operated small business on the Big Island of Hawaii for over 46 years. We respectfully **oppose HB4 HD1**, which requires employers to provide minimum amounts of sick leave.

Many employers, such as Fair Wind Cruises, are already flexible in accommodating employee needs and time off requests without conflict and we believe that adding additional leave requirements has the potential to conflict with already existing state and federal leave requirements.

We understand that employees will require occasional leave from work due to a legitimate sickness or other reasons, and generally accommodate and work with them. This bill's approach will hinder an employer's flexibility in providing sick leave and will result in additional costs, both directly and indirectly.

For many businesses, these additional costs could mean that they would no longer be able to afford to employ as many people and would be forced to eliminate jobs. For this reason, we respectfully ask HB4 HD1 not be passed. If it is passed, we ask that the following changes are added to give an employer some ability to prevent potential abuse of the sick leave.

- An employer may require employees to give reasonable notification of an absence from work for which paid sick leave is or will be used.
- An employer may take reasonable measures to verify or document that an employee's use of paid sick leave is lawful.

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

Sincerely,

Jackie Moore-Andresen, PHR Human Resources and Payroll Manager





MOTION PICTURE ASSOCIATION OF AMERICA, INC. 1600 Eye Street, Northwest Washington, D.C. 20006

STATEMENT IN SUPPORT OF HAWAII HOUSE BILL 4 SD 1 SUPPORT, AS AMENDED MARCH 31, 2017 SENATE COMMITTEE ON WAYS AND MEANS

The Motion Picture Association of America, Inc. (MPAA) submits this written testimony in support of Hawaii House Bill 4 SD 1. MPAA members include the leading producers and distributors of television programs and motion pictures worldwide. In addition to CBS, which as you are well aware produces the locally based Hawaii 5-0 television series, MPAA members include Disney, Fox, Paramount, NBC Universal, Sony Pictures and Warner Bros.

House Bill 4 SD 1 includes an important provision, subdivision (e), which provides that where the employers and employees are subject to a collective bargaining contract, the sick leave requirement may be waived by the parties. This allows employers and employees, in the limited circumstances where the terms and conditions of employment are governed by a collective bargaining contract, to address the issue of sick leave in a way that best meets the needs of the parties. The amendment provides that such waiver must be set forth in accordance with the terms of the collective bargaining contract.

The collective bargaining relationship in the motion picture and television industry has existed for more than 60 years. Over many decades, the parties have addressed many issues regarding wages, hours and terms and conditions of employment. The bill now permits the parties to resolve this issue of paid sick leave directly, at the collective bargaining table. It is well established that the wages, terms and conditions of employment within motion picture and television production exceed average wages, terms and conditions. The parties, through a mature collective bargaining process, discuss and resolve wages, terms and conditions, which are then memorialized in multiple collective bargaining agreements with various unions, including the International Alliance of Theatrical and Stage Employes, the International Brotherhood of Teamsters, SAG-AFTRA, and the Directors Guild of America. This bill now allows for the parties to resolve the issue of paid sick leave between themselves, at the bargaining table.

For these reasons, MPAA respectfully urges the language of (e) in House Bill 4 SD 1 be retained in the bill and the bill be approved by the Committee.

Thank you for your consideration.

March 31, 2017



From:	mailinglist@capitol.hawaii.gov	
Sent:	Thursday, March 30, 2017 8:24 PM	
То:	WAM Testimony	
Cc:	don.matthew.rose@gmail.com	
Subject:	Submitted testimony for HB4 on Mar 31, 2017	09:30AM

<u>HB4</u>

Submitted on: 3/30/2017 Testimony for WAM on Mar 31, 2017 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Rose	Individual	Oppose	No

Comments: Hawaii is already known as one of the worst states in the nation to try and start and run a business in. Businesses already have a plethora of burdensome challenges imposed on them by government, including already extensive labor laws, taxes, worker insurance benefit requirements, minimum wage hikes, the list goes on. Adding this requirement will target and make survival in this challenging economy the hardest on small businesses and business owners. The law as written also opens the door for blatant fraud and abuse by employees, as there are not sufficient checks and requirements in place to protect employers from dishonest family leave claims. Please do not further burden our small businesses with this bill.

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.

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HB4 TESTIMONY



Aloha,

My name is Catherine Bowen, HR professional, and I am writing in opposition to HB4, which requires certain employers to provide a minimum amount of paid sick leave to employees to be used to care for themselves or a family member who is ill or needs medical care.

I have worked in Human Resources on Maui for over twenty years with non-profit as well as for profit companies. Each of these agencies or businesses offered a paid leave benefit to their employees.

This measure creates significant implementation challenges and an administrative burden on Human Resource professionals and employers. It has the potential for unintended consequences. Those consequences include conflicts with other laws and requirements and the potential to cause internal and operational conflict with existing employer-provided leave policies and costs.

Most companies offer some type of paid leave benefit – PTO or individual banks of sick and vacation time. I also due Human Resource Consulting and every company, whether it be small or midsize that I have worked with offers some type of paid leave benefit for their employees.

Please reject HB4.

Thank you,

Catherine Bowen HR Generalist Lahaina, Maui, Hawaii

Catherine.bowen@diamondresorts.com 808.667.1303