DOUGLAS S. CHIN LIEUTENANT GOVERNOR



STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

830 PUNCHBOWL STREET, ROOM 321 HONOLULU, HAWAII 96813

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March 28, 2018

To: The Honorable Sylvia Luke, Chair,

The Honorable Ty J.K. Cullen, Vice Chair, and Members of the House Committee on Finance

Date: Wednesday, March 28, 2018

Time: 4:00 p.m.

Place: Conference Room 308, State Capitol

From: Leonard Hoshijo, Director

Department of Labor and Industrial Relations (DLIR)

Re: S.B. NO. 2990 SD2 HD1 RELATING TO FAMILY LEAVE

I. OVERVIEW OF PROPOSED LEGISLATION

This proposal amends Chapter 398, Hawaii Revised Statutes (HRS), by establishing the paid family leave special fund. Legislative appropriations, gifts, donations, grants, and employee and employer contributions would go into the fund to pay for permanent and temporary staff positions, administration, and operational costs to establish paid family leave for all workers in the State.

The bill establishes the paid family leave supplementation special fund for employers with 50 or fewer employees to offset wage costs while employees are on family leave.

The bill requires DLIR to adopt rules to establish paid family leave for all workers in the State by January 1, 2020, and allows DLIR to adopt interim rules exempt from chapter 91. The measure establishes a paid family leave implementation board within DLIR for administrative purposes, to assist the Department in establishing paid family leave for all workers in the State and to develop an analysis and implementation plan.

DLIR <u>supports the intent</u> of this proposal to provide access to paid family leave and offers comments, including concerns about adequate resources for this complex and important venture. DLIR notes that the measure provides the DLIR rule-making authority to collect contributions. Should this funding mechanism be considered a tax, then the funding mechanism would fall exclusively under the Legislature's authority.

II. CURRENT LAW

Hawaii Family Leave Law (HFLL) provides four weeks of protected, unpaid leave for employees of employers with 100 or more employees, on the birth or adoption of a child or to care for the employee's child, spouse, reciprocal beneficiary, sibling, or parent with a serious health condition.

Hawaii currently has an existing medical leave law, the Temporary Disability Insurance law (TDI), chapter 392, Hawaii Revised Statutes. The TDI law provides partial wage replacement for an eligible employee's own disability. TDI coverage and benefit payments are primarily processed through private insurance companies and employer self-insurance sick leave policies. Therefore, no employee/employer tax collection infrastructure exists for this benefit program.

III. COMMENTS ON THE SENATE BILL

DLIR supports the intent and appreciates that this measure recognizes the complicated nature of the request to implement a paid family leave law by creating the paid family leave implementation Board. The Department has established dialogue with other states with paid family leave laws to understand how the other states implemented their programs.

A mandate to cover all workers (and their employers) in the State may be premature, and preclude the implementation board from considering costs and benefits in its deliberations. Which workers, of which establishments, vary among the other states.

In addition, the establishment of the paid family leave supplementation special fund will require additional financial resources for staffing to process the requests. Approximately 95% of employers have 50 or fewer employees which could result in a high volume of requests.

An implementation board would likely develop appropriation request(s) for the Legislature.

The request to report back to the 2019 Legislature may be ambitious considering the time required to hire a program manager to support the implementation board. It is likely that establishing the position, recruiting and filling will at minimum take six months, or about time the first report is due. The Legislative Reference Bureau may also have difficulty completing the requested analyses. Similarly, implementing a program by January 1, 2020, considering other states' experiences who had existing infrastructure to work from or substantial resources, may prove quite challenging.

DLIR is unsure of what would constitute an adequate appropriation for FY2018-2019, however, to implement a paid family leave program with the assistance of the implementation board may require significant appropriation amounts depending on the range of various methods potentially suggested by the board. Washington State's

program, which is a social insurance model and being developed from the ground up, is being implemented with an \$82 million general fund loan, has twenty-five staff, plans to increase to fifty soon, and projects a total of 150 staff to run the program eventually.

DLIR obtained an estimate of \$25-\$30 million for the IT portion of the project from a local vendor to develop the required hardware and software over an initial five-year period. Washington projects spending between \$30 – \$50 million to develop its IT infrastructure over eight years, intending it for use across multiple programs.

When the Legislature considered adopting major workers' compensation reform or the adoption of TDI or Prepaid Healthcare Laws, it has instructed the Legislative Reference Bureau to commission a study, including a detailed actuarial component, before enacting those labor benefits and protections that form part the bedrock of Hawaii's labor protections¹. Therefore, the Department is appreciative that the measure contains a provision for the Legislative Reference Bureau to do a study that includes an actuarial analysis.

However, actuarial analyses are often quite costly. Act 188 (SLH, 2015) required the State Auditor to contract with an actuarial firm that has experience conducting workers' compensation closed claims studies in the United States to perform a study of closed claims in the State's workers' compensation system, however, the \$150,000 was insufficient to procure an actuarial firm. Further, the procurement process is likely to leave little or no time to produce any analysis by the date a report is due to the Legislature in 2019.

DLIR suggests that the Legislative Reference Bureau also consider appropriate statutory placement for a paid family leave program.

Lastly, DLIR requests clarification of the following:

- 1. Page 4, lines 11-14, section 3(a), allows DLIR to adopt rules. Lines 12-13 state "which shall be exempt from chapter 91." Page 5, lines 9-13, section 3(d), also allows DLIR to adopt interim rules exempt from chapter 91. However, page 5, lines 12-13 state that the interim rules shall "remain in effect until January 1, 2022, or until rules are adopted pursuant to subsection (a), whichever occurs sooner." DLIR notes, that as currently written, both the rules and interim rules are exempted from chapter 91, HRS.
- 2. Section 3(b)(3) relates to progressive wage replacement for low income workers. Page 5, line 3 states "average high-wage workers." DLIR notes the intent may have been to state "average or high-wage workers."
- 3. Section 4(d) directs the implementation board to "develop an analysis, choose a paid leave model, and implementation plan" on page 8, lines 10-12. DLIR seeks clarification whether the board should choose or develop an

SB2990SD2HD1 March 28, 2018 Page 4

implementation plan.

4. The Department notes that the measure includes one FTE "program manager". "Program managers" are either BU13 or EMCP employees and DLIR is unsure of the intent of this part of the appropriation and who is envisioned to describe, recruit, and select for the position.

http://lrbhawaii.info/lrbrpts/63/63workcomp.pdf http://lrbhawaii.info/lrbrpts/67/tdi.pdf http://lrbhawaii.info/lrbrpts/67/prepaid.pdf EMPLOYEES' RETIREMENT SYSTEM

OFFICE OF THE PUBLIC DEFENDER

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND



LAUREL A. JOHNSTON DIRECTOR

KEN N. KITAMURA ACTING DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF BUDGET AND FINANCE

P.O. BOX 150 HONOLULU, HAWAII 96810-0150 ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY LAUREL A. JOHNSTON
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 2990, S.D. 2, H.D. 1

March 28, 2018 4:00 p.m. Room 308

RELATING TO FAMILY LEAVE

Senate Bill No. 2990, S.D. 2, H.D. 1, proposes to implement a paid family leave system in the State and establish a Paid Family Leave Special Fund (PFLSF) and a Paid Family Leave Supplementation Special Fund, which are to be administered by the Department of Labor and Industrial Relations (DLIR). The measure authorizes DLIR to adopt interim rules, which shall be exempt from Chapter 91, HRS, to effectuate the purposes of this Act, provided that the interim rules shall remain into effect until January 1, 2022, or until rules are adopted, whichever comes sooner. The bill also establishes a Paid Family Leave Implementation Board (PFLIB) within DLIR for administrative purposes only to assist DLIR in establishing paid family leave for all workers in the State, pursuant to this Act. The bill further requires the PFLIB to submit a report to the Legislature annually through 2024 providing specified information described in the Act. The PFLIB shall cease to exist on January 1, 2024.

The measure appropriates to the Legislative Reference Bureau (LRB) an unspecified amount of general funds for FY 19 to conduct its analysis pursuant to this Act. The measure also appropriates to DLIR an unspecified amount of general funds for FY 19 to be deposited into the PFLSF and an unspecified amount from the PFLSF in FY 19 to fund one full-time equivalent program manager to support the PFLIB and expenses of the PFLIB, and expenses of DLIR in establishing paid family leave for all workers by January 1, 2020.

Because of the impact to employers and employees in the State, the Department of Budget and Finance (B&F) strongly recommends before any statutory measure is enacted that the State have a clear understanding of the issues and costs related to implementing a mandated paid leave system. This measure states the LRB shall conduct an analysis, prior to 2019, including an actuarial analysis, on select items addressed in the bill. B&F strongly urges the Legislature to have the LRB complete a thorough study on the paid family leave system proposed in this bill to identify issues and costs <u>before</u> the program is implemented.

Thank you for your consideration of our comments.



PANKAJ BHANOT DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES

P. O. Box 339 Honolulu, Hawaii 96809-0339

March 27, 2018

TO: The Honorable Representative Sylvia Luke, Chair

House Committee on Finance

FROM: Pankaj Bhanot, Director

SUBJECT: SB 2990 SD2 HD1 – RELATING TO FAMILY LEAVE

Hearing: Wednesday, March 28, 2018, 4:00 p.m.

Conference Room 308, State Capitol

<u>DEPARTMENT'S POSITION</u>: The Department of Human Services (DHS) supports establishing and implementing a robust family leave insurance program for all employees in Hawaii, so long as the priorities outlined in the administration's budget are not adversely affected.

<u>PURPOSE</u>: The purpose of the bill is to establish a paid family leave program within the Department of Labor and Industrial Relations (DLIR); lay the groundwork to implement a paid family leave framework of laws and policies; establish a paid family leave implementation board.

In 2016, DHS, through the Hawaii State Commission on the Status of Women (HSCSW), received a competitive grant from the United States Department of Labor (US DOL). The US DOL Paid Leave Analysis grant program was intended to support research and analysis needed to explore, develop, implement, and/or improve paid family and medical leave programs at the State and municipal levels. Through this grant, the HSCSW completed research in the following categories: economic analysis, eligibility, and benefit modeling; a feasibility and implementation study to carefully examine how a paid leave program could be successfully implemented on the state level; public polling of Hawaii

residents; focus groups of mothers, fathers, family caregivers, unions, small businesses, and large businesses. The research was completed in September 2017 and provides a wealth of data on how successful and financially solvent paid leave programs can be implemented, using Hawaii-specific data and employee information. SB 2990 SD2 HD1 provides for another study on paid leave, to be conducted by the Legislative Reference Bureau. DHS appreciates the need for sound data, but points out that all underlying research necessary to implement paid family leave has already been conducted. For the full Paid Leave Analysis report, see Hawaii Paid Leave Analysis Report at:

https://www.dol.gov/wb/media/Hawaii Report Final 2.pdf.

The Institute for Women's Policy Research, the pre-eminent think tank dedicated to expanding work place policies for families, together with economists Randy Abelda and Alan Clayton-Matthews at the University of Massachusetts, developed and updated the only leave taking simulation model in the nation. This simulation model utilizes data culled from the Census Bureau's American Community Survey (ACS) along with data from the 2012 FMLA Survey conducted by Abt Associates under contract to the US DOL.

The simulation model was used to estimate the usage and costs of four different leave policy scenarios for Hawaii. The most generous leave package, which included 16 weeks of leave with partial wage replacement, and a higher wage replacement for those workers at the lowest income bracket, resulted in an annual cost to employees of roughly \$52.00. The actuarial additionally examined a potential build out of Hawaii's current TDI system. However, because our TDI system is considered a privatized "employer mandate", building out and utilizing our underlying TDI system as a foundation for family leave insurance would be potentially costly to businesses and workers.

Currently, 42% of employees in Hawaii's private sector lack access to even a single day of paid leave. Low wage workers are the least likely to have access to family leave, and hence, are more likely to miss out on critical time with newborns during their first weeks of life. DHS works with the most vulnerable and marginalized populations in our state and we have a vested interest in ensuring individuals are healthy, thriving, and economically secure.

DHS has undertaken a multi-generational approach through its implementation of 'Ohana Nui, recognizing that Hawaii has the highest percentage of multi-generational households, the highest cost of housing, one of the highest costs of living, and the fastest growing population of individuals aged 65 and older. Our economy is reliant on a female and older workforce, precipitating a need to ensure our work place policies are reflective of this demographic. Paid family leave is associated with better health outcomes for children and mothers; an increase in children receiving well-baby check ups and vaccinations; increased bonding with children; and an increase in elderly individuals being able to age in place with family caregiver support. Research on current state paid leave programs reveal evidence that paid leave ensures fathers' ability to provide care for their families; increases mothers' labor force participation; and furthers a narrowing of the gender wage gap.

The wealth of data on existing paid family leave programs reveal paid family leave programs function more effectively as social insurance programs. Privatization of such a program risks harming the program's integrity and fiscal solvency.

Thank you for the opportunity to provide supportive comments on this measure.

Charlotte A. Carter-Yamauchi Director

Shawn K. Nakama First Assistant

Research (808) 587-0666 Revisor (808) 587-0670 Fax (808) 587-0681



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

Written Comments

SB2990, HD1 RELATING TO FAMILY LEAVE

Charlotte A. Carter-Yamauchi, Director Legislative Reference Bureau

Presented to the House Committee on Finance

Wednesday, March 28, 2018, 4:00 p.m. Conference Room 308

Chair Luke and Members of the Committee:

Good afternoon Chair Luke and members of the Committee, my name is Charlotte Carter-Yamauchi and I am the Director of the Legislative Reference Bureau. Thank you for providing the opportunity to submit written comments on S.B. No. 2990, S.D. 2, H.D. 1, Relating to Family Leave.

The purpose of this measure is to:

- (1) Require the Department of Labor and Industrial Relations to establish rules, by no later than January 1, 2020, that implement paid family leave coverage for all workers that includes an unspecified minimum number of weeks of paid leave for employees, a system of progressive wage replacement, and job protection to ensure utilization of paid family leave does not adversely affect employment;
- (2) Establish a Paid Family Leave Implementation Board to develop an analysis and implementation plan for providing workers with family leave insurance benefits during times when a worker is required to take leave to care for a family member;

- (3) Require all executive branch departments and agencies to enter into and participate in data-sharing agreements for purposes of implementing a paid family leave program;
- (4) Establish a Paid Family Leave Special Fund to carry out the purposes of this measure;
- (5) Require the Legislative Reference Bureau to conduct a study, prior to 2019, that includes among many other things an actuarial analysis of items that are included in the Paid Family Leave Implementation Board's study;
- (6) Require that both the Board's report and Bureau's study include a multi-year budget for establishing a paid family leave insurance program and include a review of other state leave and Temporary Disability Insurance models and review of Temporary Disability Insurance usage;
- (7) Appropriate an unspecified sum for fiscal year 2018-2019 from the general fund for deposit into the Paid Family Leave Special Fund;
- (8) Appropriate an unspecified sum for fiscal year 2018-2019 from the Paid Family Leave Special Fund for one full-time program manager to support the Board and the Department of Labor and Industrial Relations in establishing paid family leave for all workers by January 1, 2020, and to contract, exempt from Chapter 103D, Hawaii Revised Statutes, a consultant to assist the Department with its duties under this measure; and
- (9) Appropriate an unspecified sum for fiscal year 2018-2019 for the Legislative Reference Bureau to conduct the study and actuarial analysis and authorize the Bureau to contract for services, exempt from Chapter 103D, Hawaii Revised Statutes, to complete the study.

The Bureau takes no position on the merits of this measure, but submits the following comments for your consideration.

We have serious concerns with how the measure is currently drafted with respect to the work requested of the Bureau. The language of the measure requires the Bureau to not only conduct a study, but also perform the following:

(1) A comparative analysis of potential paid family leave models to cover all workers, including but not limited to social insurance and temporary disability insurance expansion, and including a breakdown of the costs for implementing and sustaining each model;

- (2) An analysis of models that consider progressive wage replacement and job protection;
- (3) An analysis of a multi-year budget for establishing a paid family leave insurance program;
- (4) An analysis of a timeline for implementing paid family leave, including benchmarks and deliverables;
- (5) A review of other state paid leave models, including review of current temporary disability insurance usage and other state temporary disability insurance models;
- (6) Findings and other recommendations, including recommendations for ongoing regulation and additional funding resources; and
- (7) An actuarial analysis,

all before 2019.

First, the Bureau does not believe that it can complete this task in the time allotted. The Bureau does not employ an actuary, nor has it contracted the services of one in at least the past two decades. Furthermore, the Bureau does not retain subject matter experts in the fields of social insurance, temporary disability insurance expansion, or paid family leave, nor do we have staff with any budgetary expertise or experience. Consequently, the Bureau would have to contract the services of such experts and do so by drafting a Request for Proposals on this project and executing a contract, which will probably take more than six months, and would mean that the required report and actuarial analysis would not be available for the 2019 Legislature.

In addition and perhaps more importantly, it seems that the responsibilities established under the measure are divided unnecessarily between, and in many cases duplicative of those assigned to, the Paid Family Leave Implementation Board, the Department of Labor and Industrial Relations, and the Bureau. Trifurcating the duties and tasks established under the measure will most likely lead to difficult complications in coordinating the collection and dissemination of information among parties and coming to an agreement on how to proceed with assigned tasks. Moreover, the measure has:

(1) The Department of Labor and Industrial Relations adopting rules, by no later than January 1, 2020, that establish a paid family leave program for all workers in the State that meets certain specified criteria (see page 4, line 11 to page 5, line 13);

- (2) The Bureau conducting a study on a number of specified issues that overlap with the criteria to be used by the Department of Labor and Industrial Relations (see page 9, line 9, to page 10, line 7); and
- (3) The Board developing an analysis and implementation plan to provide workers with family leave insurance benefits (see page 8, line 10 to page 9, line 8) and reporting to the Legislature on substantially identical issues as the Bureau within the same timeframe (see page 10, line 8 to page 11, line 10).

Furthermore, according to the measure, the Paid Family Leave Implementation Board and the Department of Labor and Industrial Relations, with moneys from the paid family leave special fund created in the measure, will be able to hire staff, contract a consultant, and defray costs associated with the implementation of the paid leave program. We also note that the Paid Family Leave Implementation Board's membership already includes representatives of executive branch agencies that have access to actuarial services and have considerable subject matter expertise in leave programs and insurance. As such, the measure establishes a seemingly convoluted and unnecessarily complicated and duplicative process to create the paid leave program.

If the Committee decides to recommend the passage of this measure and desires to keep the Bureau involved, we respectfully request that:

- (1) The Committee clarify the role and responsibility of the various entities involved to eliminate duplication of effort and wasted resources;
- (2) If the Committee still wants the Bureau involved in the actual conduct of the study and actuarial analysis, that we be provided not less than two years to complete the assigned task; or
- (3) If the Committee believes that the tasks established in the measure should be consolidated and executed by the Paid Family Leave Implementation Board, as the entity responsible for the study and actuarial analysis, and that the Bureau's role in this project should be limited to finalizing the Board's report and drafting proposed legislation, then the measure should be amended to specifically clarify that the Bureau assist with only the finalizing of the Board's reports and drafting proposed legislation. We would also request that it be specified that the respective draft report be submitted to the Bureau no later than September 1, 2018, so that work on the report would not adversely impact our ability to provide our core services to the Legislature for the upcoming Regular Session.

If the measure is amended to address the concerns noted above, the Bureau believes that the services requested under the measure would be manageable and that the Bureau will be able to provide the services in the time allotted; provided that the Bureau's interim workload is not adversely impacted by too many other studies or additional responsibilities,

Page 5

such as conducting, writing, or finalizing other reports, drafting legislation, or both, for other state agencies, task forces, or working groups that may be requested or required under other legislative measures.

Thank you again for your consideration.

HAWAI`I STATE COMMISSION ON THE STATUS OF WOMEN



Chair LESLIE WILKINS

COMMISSIONERS:

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

Executive Director Khara Jabola-Carolus

Email: kjabolacarolus@dhs.hawaii.gov

235 S. Beretania #407 Honolulu, HI 96813 Phone: 808-586-5758 FAX: 808-586-5756 March 27, 2018

To: Rep. Luke, Chair

Rep. Cullen, Vice Chair

Honorable Members of the H. Committee on Finance

From: Khara Jabola-Carolus

Executive Director

Hawai'i State Commission on the Status of Women

Re: Testimony in Support, SB2990 SD2, HD1

On behalf of the Commission on the Status of Women, I thank you for this opportunity to testify in support of SB2990 SD2 HD1, with concerns and reservations as to the language of HD1. SB2990, if passed, would require the Department of Labor and Industrial Relations (DLIR) to establish paid family leave for all workers by 2020. Rather than establish a paid family leave program, this bill establishes a Paid Family Leave Implementation Board to assist the Department and report to the Legislature, and repeals the Board on January 1, 2024.

We know that paid family leave helps families and helps the economy, because families are socially and economically strengthened when 1) family leave is provided by an employer and 2) that family leave is paid leave. To strengthen this measure, the Commission recommends the following amendments:

- 1. Add "16" before weeks to Sec. 3(b)(1).
- 2. Delete section 4(f) in its entirety. The Commission has already conducted a comprehensive Hawai'i-specific analysis of potential paid family leave models and provided all underlying data necessary to implement paid family leave in Hawai'i. The mandated Legislative Reference Bureau (LRB) report would be redundant and wasteful of taxpayer dollars.
- 3. Add subsection (8) to Sec. 6(b): "The director of the Department of Human Services or designee."
- 4. Add new language that mandates a social insurance model over employer mandate, per the findings of the 2017 *Hawaii State Paid Family Leave Grant Analysis Report*.
- 5. Add specific language that subjects the implementation board to Sunshine Law requirements.

The Commission therefore supports SB2990 with the requested amendments.

Sincerely,

Khara Jabola-Carolus

ⁱ *Hawaii State Paid Family Leave Grant Analysis Report*, Nov. 2017, https://www.dol.gov/wb/media/Hawaii_Report_Final_2.pdf



1200 Ala Kapuna Street * Honolulu, Hawaii 96819 Tel: (808) 833-2711 * Fax: (808) 839-7106 * Web: www.hsta.org

> Corey Rosenlee President Justin Hughey Vice President Amy Perruso Secretary-Treasurer

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

Wilbert Holck Executive Director

RE: SB 2990, SD 2, HD 1 - RELATING TO FAMILY LEAVE

WEDNESDAY, MARCH 28, 2018

COREY ROSENLEE, PRESIDENT HAWAII STATE TEACHERS ASSOCIATION

Chair Luke and Members of the Committee:

The Hawaii State Teachers Association strongly supports and suggests amendments for SB 2990, SD 2, HD 1, relating to family leave.

Teachers are fortunate to be covered by a collective bargaining agreement that provides paid sick leave. Approximately 70-80 percent of the teacher workforce is female, though, and would greatly benefit from the enactment of a family leave program. According to the National Partnership for Women and Families, research shows that access to family leave improves child and maternal health. Providing family leave to teachers, then, will boost educator recruitment and retention by ensuring that teachers who have or are planning to have families won't be forced to return to work prematurely or at the expense of their children's well-being.

Over 40 percent of Hawai'i's workforce, however, is not afforded the same benefit. As a result, workers are often required to choose between providing for their families by working while sick or enduring a loss of income to recuperate. Families also must decide whether or not to send sick children to school or stay home and lose a day of pay. For low-income families, this financial bind can mean the difference between providing food or going hungry. When children are forced to attend class while ill, moreover, contagions may spread to other students.

It's a chain reaction. Multiple families may be become infected. Entire classes may see their health and learning suffer. Providing paid sick leave that may be extended to family members will break the cycle of illness by allowing families to care for themselves and their children without loss of pay. As this measure moves forward,

we urge you to continue mandating establishment of a family leave program no later than 2020, so that working families do not have to wait any longer than necessary for the financial insurance needed to cover medical emergencies and kupuna care.

That said, we believe that this measure can be further strengthened by: 1) guaranteeing a minimum of sixteen weeks of paid family leave as part of the program, once implemented; 2) including a broad definition of "family" in the bill that allows non-relatives to be designated as family for purposes of caregiving; and 3) requiring that the newly established family leave program be operated as a social insurance program, in which small amounts of money are pooled from employees and employers into a fund workers may draw upon when they need leave time.

Sickness should not become a debt sentence. To better care for families living paycheck to paycheck, the Hawaii State Teachers Association asks your committee to **support** this bill.



The House Committee on Finance Wednesday, March 28, 2018 4:00 PM, Conference Room 308

RE: SB 2990 SD2 HD1 Relating to Family Leave

Attention: Chair Sylvia Luke, Vice Chair Ty Cullen and members of the Committee

The University of Hawaii Professional Assembly (UHPA) **urges the committee to support SB 2990, SD2, HD1.** SB 2990 SD2, HD1 is designed to establish a paid family leave special fund with a paid family implementation board tasked with developing the appropriate family leave model and implementation plan.

The UHPA and UH Board of Regents 2015-2017 contract established a joint labor-management committee to assess the needs of Childcare and Childcare Leave in the University of Hawai'i System. The Committee's findings were presented to the labor-management negotiating teams in the last round of negotiations, and highlighted the following deficiencies:

- There is no family leave beyond using sick leave, state unpaid leave, federal FMLA unpaid leave
- There is no policy for relief or adjustment of duties during pregnancy or after the birth of child
- There is discrimination/negative implications for faculty and staff that are choosing to expand their family or nursing mothers
- There is no consolidated online resources describing childcare leave options (no coordinated effort) to make it easy for someone to determine their benefits, thus decisions about leave are made on an ad hoc and case-by-case basis.
- Faculty and staff have to advocate for their needs regarding family leave, since there are no clear policies in place.
- There is a severe lack of access to lactation facilities on campus.

The UHPA membership is diverse and with faculty members ranging from their 20's well into their 80's. In addition, the faculty member bargaining unit is now over 50% female, and 30% of the membership are under the age of 45. More senior faculty find they are caring for aging family members without the support that may be demanded for time away from their employment.

Many of these issues identified in the joint committee's report will be addressed with the passage SH 2990, SD2, HD1. Paid family leave can serve as a tool to both recruit and retain employees at the University of Hawai'i, and all other state agencies.



SB2990 SD2 HD1 House Finance Committee Wed. Mar. 28, 2018 Page 2

The implementation of a paid family leave recognizes the urgency to address a significant problem for employees, employers, and families in a high cost state. UHPA urges the committees support for SB 2990, SD2, HD1.

Respectfully submitted,

Kristeen Hanselman

Executive Director



Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB 2990 SD2 HD1 – Relating to Family Leave
House Committee on Finance
Scheduled for hearing on Wednesday, March 28, 2018, 4:00 PM in Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and members of the Committee:

Thank you for the opportunity to testify in SUPPORT of **SB 2990 SD2 HD1**, which establishes the Prepaid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations in establishing paid family leave for all workers in the State by January 1, 2020.

Low-wage workers are the least likely to have access to paid family leave, while they need the financial support of paid leave the most. Especially with more and more of our kūpuna needing care, our state needs to create a safety net for families facing serious caregiving responsibilities.

In order for such a program to be truly effective in Hawai'i, we'd like to point out how important it is for a paid family leave program to follow a social insurance model. A prominent example of a social insurance approach is Social Security. Experts from both the left and the right agree that this is the best way to reduce costs to employers and overall administrative expenses, as well as prevent discrimination against those workers who are mostly likely to take leave.

Even the right-leaning American Enterprise Institute has testified in favor of a social insurance program over an employer mandate to purchase private family leave insurance or to self-insure¹:

[T]he idea that companies might be better off with an employer mandate instead of a social insurance program is hard to fathom. While social insurance broadly distributes the costs of providing leave, an employer mandate shifts all of the costs onto the firm, raising implicit labor costs. Firms can respond to this mandate in several ways: One, they may try to self-insure or purchase private insurance products; these will likely be costly and unavailable in many places. Two, they may reduce wages paid for workers that are hired. Three, firms may simply discriminate against people who are more likely to use this leave, particularly women. Since an employer mandate disproportionately raises the expected labor costs of those most likely to use the paid leave, mandating paid leave incentivizes firms to discriminate against women and others likely to take up the policy... A mandate imposes additional costs and distortions that could be much more expensive to the public than social insurance.

We appreciate your consideration of this testimony.

¹ https://www.aei.org/wp-content/uploads/2017/10/DC-Testimony-Mathur-1.pdf



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

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TO: Representative Luke, Chair

Representative Cullen, Vice Chair Members of the Committee on Finance

FROM: Cynthia J. Goto, Advocacy Consultant with PHOCUSED

SUBJECT: Testimony in Support of SB 2990, SD2 HD1: RELATING TO

FAMILY LEAVE

Hearing: Wednesday, March 28, 2018

4:00 PM

Conference Room 308

Chair Luke, Vice Chair Cullen, Members of the Committee on Finance,

Thank you for the opportunity to testify in support of SB 2990, SD2 HD1. I am Cynthia Goto, advocacy consultant for PHOCUSED.

PHOCUSED is a nonprofit, nonpartisan organization dedicated to increasing the safety for, visibility of, and investment in the children and adults in Hawaii who are marginalized, impoverished, and under-served. Our organization has been a leading voice in advocating for families since our formation, as the membership of PHOCUSED and our Board of Directors represent many of the major health and human service providers and peer organizations dedicated to serving the vulnerable populations across our state. As such, PHOCUSED is proud to support SB 2990, SD2 HD1.

This family leave insurance program would provide much needed support for employees who need to take time off to care for their family. Those who are low-income, in particular, are especially vulnerable to loss of wages or employment at a critical time in their families. This bill would provide paid leave from work to care for a new child or sick family member. The vulnerable populations for which PHOCUSED has worked to improve their well-being, fall

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



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

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

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

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

Thank you for the opportunity to submit testimony in support of SB 2990, SD2 HD1.

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



To: The Honorable Sylvia Luke, Chair

The Honorable Ty J.K. Cullen, Vice Chair Members of the House Committee on Finance

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

Re: STRONG SUPPORT for SB 2990, SD2, HD1, Relating to Family Leave

Hrg: March 28, 2018 at 4:00 pm at Conference Room 308

Thank you for the opportunity to testify in strong support of SB 2990, SD2, HD1 Relating to Family Leave which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

Created by the legislature in 2012, the Obesity Prevention Task Force is comprised of over 40 statewide organizations, and works to make recommendations to reshape Hawai'i's school, work, community, and health care environments, making healthier lifestyles obtainable for all Hawai'i residents. The Hawai'i Public Health Institute (HIPHI) convenes the Task Force and supports and promotes policy efforts to create a healthy Hawai'i.

HIPHI is in strong support of Hawaii enacting a Paid Family Leave law. Currently, Hawaii employees do not have a right to paid medical or family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees. The Hawaii Family Leave Act applies to employers with 100 or more employees and allows for job protection up to four weeks. This is also unpaid leave.

According to the U.S. Department of Labor, Bureau of Labor Statistics, about 13 percent U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

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.¹ 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.²

"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

¹ 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).

² 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).

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 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)." ³

SB 2990, SD2, HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- Universal coverage all people and employers would participate in the system.
- Job Protection if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave.
- Progressive Wage Replacement many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully requet the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave.
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving.
- A requirement that the program operate as social insurance.

All families will benefit from a comprehensive Paid Family Leave Program. Thank you for the opportunity to provide testimony and recommendations.

Mahalo,

Jessica Yamauchi, MA Executive Director, HIPHI

³ http://www.nccp.org/publications/pdf/text_1059.pdf

COMMUNITY ALLIANCE ON PRISONS

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COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair, Rep. Ty Cullen, Vice Chair Wednesday, March 28, 2018 FIN #3 - 4:00 PM Room 308

STRONG SUPPORT FOR SB 2990 SD2, HD1- FAMILY LEAVE

Aloha Chair Luke, Vice Chair Cullen and Members of the Committee!

My name is Kat Brady and I am the Coordinator of Community Alliance on Prisons, a community initiative promoting smart justice policies in Hawai`i for more than two decades. This testimony is respectfully offered on behalf of the families of ASHLEY GREY, DAISY KASITATI, JOEY O`MALLEY, JESSICA FORTSON AND ALL THE PEOPLE WHO HAVE DIED UNDER THE "CARE AND CUSTODY" OF THE STATE as well as the approximately 5,500 Hawai`i individuals living behind bars or under the "care and custody" of the Department of Public Safety on any given day. We are always mindful that approximately 1,600 of Hawai`i's imprisoned people are serving their sentences abroad thousands of miles away from their loved ones, their homes and, for the disproportionate number of incarcerated Kanaka Maoli, far, far from their ancestral lands.

Community Alliance on Prisons thanks the committee for hearing this bill that is so important to Hawai'i's families and compassionate people. As long-time a member of the Hawai'i Women's Coalition and a member of the Working Families Coalition, Community Alliance on Prisons stands in strong support of this measure that would require the DLIR to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022.

Currently, Hawai`i employees do not have a right to paid medical or family leave. This seems to be in conflict with how we live in Hawai`i. We are Hawai`i; we care for and about each other! Women are often disproportionately affected since they are oftentimes the caregivers for loved ones. The lack of family leave also exacerbates the wage gap and threatens the economic stability for both women and men who help provide care for their loved ones through difficult times. As a caregiver to 3 people, I can attest to the fact that it takes time to settle in and get in sync with the patient's rhythm. We therefore, suggest that the bill guarantee 16 weeks leave, as it would be more humane - especially if the patient is to transition to another caregiver. Many families live paycheck-to-paycheck and would never be able to provide care for their loved if they were paid only a small percentage of their wages or nothing at all. That's NOT who we are as a community!

We urge the committee to pass this important measure with the amendments suggested by the Working Families Coalition.

"Compassion brings us to a stop, and for a moment we rise above ourselves."

Mason Cooley



March 28, 2018

To: Representative Sylvia Luke, Chair

Representative Ty J.K. Cullen, Vice Chair

House Committee on Finance

From: Mandy Finlay, Director of Public Policy

Hawaii Children's Action Network

Re: SB 2990, SD2, HD1 – Relating to Family Leave – SUPPORT, with requested amendments

Hawaii State Capitol, Room 308, March 28, 2018, 4:00 PM

Hawaii Children's Action Network (HCAN) writes in support of, with requested amendments to, SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish a paid family leave program for all workers by 2020, would establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on implementing paid family leave.

Family leave insurance is a necessary and affordable benefit that promotes worker retention, economic stability for working families, gender equity in the workplace, and positive infant health outcomes. The program developed pursuant to this measure would provide paid family leave benefits to all workers, regardless of employer size, with job protection and a progressive wage replacement scale to enable low-wage workers to receive a higher percentage of their weekly earnings. We would request, however, that the bill be amended to specify that any resulting program (1) must be structured as social insurance, and (2) must provide at least 16 weeks of paid leave.

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

Hawaii has the fastest growing aging population in the nation. Our senior (age 65+) population is expected to grow 81 percent by 2030. Approximately 240,000 people in Hawaii serve as a caregiver for a family member. Paid family leave would allow workers to care for their family members without compromising economic stability.

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

Providing paid time off for family caregiving strongly promotes gender equity. Women are often disproportionately impacted by the lack of paid leave, as they are the primary caregivers of infants,

children and aging parents. The lack of paid family leave exacerbates the gender wage gap for women but affects the economic stability for both women and men who are caregivers.

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

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

The Institute for Women's Policy Research, which houses some of the nation's top experts on family leave, conducted an actuarial analysis using a simulation model to study the use and cost of family leave insurance for Hawaii. The study found that the annual cost to cover sixteen weeks of leave for a worker making \$48,000 would be around \$58. That's only a little over one dollar per week. **These numbers reflect estimates using a social insurance model for providing paid family leave. A social insurance model spreads costs broadly and makes this benefit affordable and administratively feasible for employers.** A privatized model may be much more costly.

It's a stark reality when employees face the dire choice of needing to be able to care for newborn children, or sick children, spouses or parents, but also needing to work to sustain their family's income. Providing paid family leave to all workers is an affordable solution to enable workers to take a small number of weeks out of the workforce without having to face the impossible choice between their family member's health and their income or jobs.

For the above reasons, HCAN respectfully requests the Committee to pass this measure.

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

46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

TESTIMONY FOR SENATE BILL 2990, SENATE DRAFT 2, HOUSE DRAFT 1, RELATING TO FAMILY LEAVE

House Committee on Finance Hon. Sylvia Luke, Chair Hon. Ty J.K. Cullen, Vice Chair

Wednesday, March 28, 2018, 4:00 PM State Capitol, Conference Room 308

Honorable Chair Luke and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony <u>in strong support of Senate Bill 2990</u>, SD 2, HD 1, relating to family leave.

This measure would *finally* establish a family leave insurance program for Hawai'i's workers, with up to 16 weeks of paid time off to address family needs, including keiki and kupuna care. Once effectuated, family leave insurance should also provide progressive wage replacement, allowing low-income workers to receive a higher percentage of their weekly wages (ideally, up to 90 percent) to make the benefit accessible to everyone.

Hawaii's workers need this benefit. In a 2017 public poll, 62 percent of Hawaii respondents reported that they had wanted to take leave in the past in order to care for a new child or family member. Currently, Hawaii employees do not have a right to paid family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with up to 12 weeks for employers with 50 or more employees. The Hawai'i Family Leave Law (HFLL) applies to employers with 100 or more employees and allows up to four weeks. This is also unpaid leave. Moreover, Hawai'i has the fastest growing aging population in the nation. Our senior (age 65+) population is expected to grow 81 percent by 2030. Approximately 247,000 Hawaii workers are caregivers for a family member.

This program would help Hawaii's businesses. Family leave insurance increases worker retention and loyalty. Workers who have access to family leave benefits are more likely to return to work after their leave is over. In a 10-year study of the California family leave insurance

Kris Coffield (808) 679-7454 imuaalliance@gmail.com

program, businesses reported that family leave had either a positive or a neutral effect on their business. Small businesses were less likely than large businesses to report any negative effects.

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

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

We need a program that is affordable and designed to be revenue-neutral. The Institute for Women's Policy Research, which houses some of the nation's top experts on family leave, conducted an actuarial analysis using a simulation model to study the use and cost of family leave insurance for our state, which found that the annual cost to cover sixteen weeks of leave for a worker making \$48,000 would be roughly \$58–a little over one dollar per week to pay for invaluable financial security.

We are heartened that this measure was amended to specify that family leave insurance shall be instituted no later than 2020, rather than 2023, to provide a more timely benefit to Hawai'i's workforce. Prior to implementing its own family leave insurance program, New York completed an analysis of how to do so in less than two years. There is no reason that Hawai'i should take more time than New York, given our significantly smaller population size.

It's a stark reality when employees face the dire choice of caring for newborn or sick children, spouses, or parents or working to sustain their family's income. We must offer a smart, affordable solution that empowers workers to care for their families, while saving their jobs.

Mahalo for the opportunity to testify in strong support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance



Fernhurst YWCA

1566 Wilder Avenue Honolulu, Hawai'i 96822 808.941.2231

Kokokahi YWCA

45-035 Kāne'ohe Bay Drive 1040 Richards Street Kāne'ohe, Hawai'i 96744 808 247 2124

Laniākea YWCA

Honolulu, Hawai'i 96813 808.538.7061

ywcaoahu.org

To: Hawaii State House Committee on Finance

Hearing Date/Time: Wednesday, March 28, 2018, 4PM Hawaii State Capitol, Rm. 308

Position Statement Supporting Senate Bill 2990 SD2 HD1

Thank you Chair Luke, Vice Chair Cullen, and Committee members,

Thank you for the opportunity to testify in strong support of Senate Bill 2990, relating to family leave insurance.

Senate Bill 2990 would create a family leave program and an implementation board to oversee the development and implementation of the program. The workers and families in Hawaii are already taking this time of time off but it is unpaid. They face bankruptcy, credit card debt, and missing rent payments to do so, but because this type of leave is not optional, they are doing it. We live in a state with the highest cost of living, where it costs more to send your child to daycare than college, and missing 3 days of work can mean a family losing their food budget for the month. It is time for Hawaii to adopt a paid family leave program. Senate Bill 2990 provides a sound, working template for the board and we'd like to suggest amendments to make the board's work more clear.

Hawaii has a robust study on implementing paid family leave through the federal Department of Labor. This study, which cost \$250,000 and was researched and written by the experts in this area, states that a social insurance model allows for universal coverage at a low cost¹. Other hybrid models will be more administratively complex, require additional oversight and regulations, could be difficult to regulate and could increase the costs of the program. A social insurance model would still allow employers the option of "topping off" benefits and it would lower the costs of providing paid family leave. An employer would no longer be paying the full wages of an employee out of pocket while they were out. Instead, a pool of payroll taxes would subsidize a portion of the employee's wages. Additionally, an employer mandate is not favorable because employers are incentivized not to hire women or any person they perceive to be more likely to take leave². For these reasons, we respectfully asks that the implementation board adopt a social insurance model for the program.

The original draft of SB 2990 included 16 weeks of leave. If we are a state that values 'ohana, let us put that value into a tangible benefit. We ask that the 16 weeks be re-inserted into the bill language.

Hawaii's workers and businesses need family leave insurance. A family leave insurance program enables workers to take time off during major life events and helps businesses retain key employees and remain competitive. Thank you for the opportunity to testify in support of Senate Bill 2990 SD2 HD1.

Kathleen Algire Director, Public Policy and Advocacy YWCA O'ahu

https://www.capitol.hawaii.gov/CommitteeFiles/senate/LBR/LBRfiles/SJ-Glynn_Administration-of-Paid-Family-Leave.pdf ² National Academy of Social Insurance (2017). Paid family and medical leave programs: State pathways and design options



¹ Glynn, S. (2018) Improving work life in Hawaii: Administration of paid family leave.



Rep. Sylvia Luke, Chair Rep. Ty J.K. Cullen, Vice Chair House Committee on Finance

Tuesday, March 20, 2018, 4:00 p.m.Conference Room 308

TESTIMONY IN SUPPORT OF SB 2990, SD2, HD1 - Relating to Family Leave

Caring Across Generations in strong support of Sente Bill 2990, Senate Draft 2, House Draft 1.

Caring Across Generations is a national movement of families, caregivers, people with disabilities and aging Americans working to transform the way we care in this country, calling for policy solutions that enable all of us to live and age with dignity and independence. Caring Across Generations has worked with partners in Hawai'i for years in support of legislation that will help make quality long-term care accessible to everyone.

Paid family leave is a necessary and affordable benefit that assists families to provide care for their loved ones, promotes worker retention, economic stability for working families, gender equity in the workplace, positive infant health outcomes, and reduces caregiver burnout.

Hawaii has the fastest growing aging population in the nation. Our senior (age 65+) population is expected to grow 81 percent by 2030. Approximately 247,000 Hawaii workers serve as the primary caregiver for a family member. Paid family leave would allow these workers to care for their family members without compromising economic stability.

Paid family leave would also compliment our currently existing programs that help family caregivers of the elderly. While the paid family leave program will assist caregivers who need to temporarily leave work due to episodic or crisis situations, the Kupuna Caregivers program could assist working caregivers to return to work quickly while still having access to caregiver assistance.

It is especially critical to include the progressive wage replacement to ensure that low-income workers are able to access the program. Those who earn less than half of the average weekly

wage should receive 90% of their weekly earnings, while middle-income to higher-income workers should receive 75% or 50% of their weekly earnings, with a weekly cap.

Because of the reasons stated above and many others, we are in strong support of Senate Bill 2990, Senate Draft 2, House Draft 1.

Thank you for considering my testimony.

Sincerely,

Pedro Haro Hawai'i Advocacy Director Caring Across Generations pedro@caringacross.org



TESTIMONY OF TINA YAMAKI PRESIDENT RETAIL MERCHANTS OF HAWAII March 28, 2018

Re: SB 2990 SD2 HD1 Relating to Family Leave

Good afternoon Chair Luke and members of the House Committee on Finance. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) is a statewide not-for-profit trade organization committed to supporting the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

The Retail Merchants of Hawaii is in **OPPOSITION** of SB 2990 SD2 HD1.

Government should do a Hawaii based independent cost analysis before implementing mandates that takes into account not only the benefits to the employees, but the true costs and impacts it has to businesses, the labor market, Hawaii's economy, the total tax dollars needed to fund the program and the additional increase in the cost of living in Hawaii.

We would like to point out that the current Family Leave Implementation Board is not a fair balance with only 3 of the 18 members from the business community. This mandate would have a large impact on ALL businesses throughout the state who would have to implement this program and feel that at least half of the board should be made up of businesses.

Retailers are concerned about employees' wellbeing. Many employers already offer benefits that include significant paid time off to those employees who have earned it in addition to the mandated family leave for employees to care for their family who are ill and ensure that their jobs are secure when they return to work. Furthermore, Hawaii is also one of the few state who mandates medical insurance coverage for their employees' healthcare.

Mandating a paid family leave provision would impact the cost of living in Hawaii where people are already complaining about the high prices of homes, food, utilities... Paid family leave has additional costs beyond the compensation the employer has to pay to the individual taking family leave that include but are not limited to the employer paying another employee to fill in for the absent individual as well as administrative costs to manage the program and the fact that some employees abuse these types of paid leave programs.

Businesses are very sensitive to the finite price points customers are willing to pay. Retailers are sometimes not able to absorb all of the costs associated with these types of government mandates and have to pass the cost on by raising prices of goods and services. When that happens, some employee special benefits may no longer be offered (i.e. additional employee discounts); employees may be laid off or replaced with automation like self-check-out lines or in the worst cases businesses just close. In the last 24 months alone over 33 retailers have closed at least one if not all of their locations in Hawaii. Those are just the ones that have been reported in the news. Many shops just close guietly.

Retailers are already operating on a very thin margin. With the recent jump in minimum wages, goods, services and health care benefits, some businesses are struggling. Policy makers should be focusing on eliminating obstacles to business growth, job creation and economic stability and not adding additional costs that employers cannot afford.

We respectfully ask that you hold this measure. Mahalo again for this opportunity to testify.

Testimony to the House Committee on Finance Wednesday, March 28, 2018 at 4:00 P.M. Conference Room 308, State Capitol

RE: SENATE BILL 2990 SD2 HD1 RELATING TO FAMILY LEAVE

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

The Chamber of Commerce Hawaii ("The Chamber") **opposes** SB 2990 SD2 HD1, which Requires the Department of Labor and Industrial Relations to adopt rules by 1/1/2020 that establish paid family leave for all workers. It also authorizes the Department to adopt interim rules; establishes the paid family leave implementation task force to assist the Department and report to the Legislature; establishes a Paid Family Leave Special Fund; and appropriates moneys.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ 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 understand the intent of this bill to allow for paid leave in the workplace and agree that citizens need to balance the needs of work and family. Also, we appreciate the effort to bring different stakeholders together to come up with a paid family leave program. However, we do not support this bill.

As many national rankings have shown, the cost of doing and running a business is extremely high. With every additional workplace mandate, the competitive distance is increased, which in turn, affects the ability for employers to sustain and create jobs, as well as provide benefits to employees. While we do not know yet what the program will entail and who will pay for the benefit until the task force meets, we do know that the business community will ultimately be responsible to execute and shoulder at a minimum, some costs.

We need policies that will help Hawaii bring new businesses and support those in existence. Many employers offer paid leave programs as a means for attracting and retaining their workforce especially with our low unemployment rate. Rather than mandating, we suggest encouraging businesses to adopt their own innovative paid leave programs.

The Chamber respectfully asks that this bill be deferred. Thank you for the opportunity to testify.



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TO:

Committee on Finance Rep. Sylvia Luke, Chair Rep. Ty J. K. Cullen, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: Wednesday, March 28, 2018

TIME: 4pm

PLACE: Conference Room 308

RE: SB 2990 Relating to Family Leave

Position: Comments

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.

Hawaii is ranked as one of the worst, if not the worst state for doing business. Our member businesses take great pride in feeding Hawaii, but there are many factors that make it a challenge for these companies to continue to serve our communities.

We appreciate that this bill seeks to take a thoughtful approach to this issue and is designed to get input from various stakeholders. We hope that when considering the feasibility and cost of providing paid family leave to all workers in Hawaii the legislature will consider how this will impact the business environment in our state, and bear in mind that drastic increases to labor costs have the potential to eliminate jobs, raise prices on necessities like food, and force Hawaii businesses to close.

In order to avoid some of these negative unintended consequences we encourage the Legislature, and the Implementation Board if it's formed, to consider extending the Temporary Disability Insurance (TDI) Program rather than creating a brand new program. Extending TDI could be far more efficient and cost effective because the program already exists, and it would

accomplish the same goal of helping to make sure that employees get the leave they need when they need it.

Should the committee choose to pass this bill there are some revisions that we strongly suggest in order for any future program to have any chance of success.

The current makeup of the Family Leave Implementation Board outlined in this bill has three members from the business community and 15 other members. If the legislature wants to make sure that the plans and recommendations made by the board are functional and possible for businesses to implement there must be more equal and fair representation of Hawaii's businesses on the board. We recommend that roughly half the board be made up of members of our business community since these are the people who will ultimately be responsible for implementing, administering, managing, and paying for any family leave program.

In order for the Family Leave program to be feasible there must be a more realistic timeline for implementation. This bill does not provide some essential details about the functioning of the board, for instance what will happen if they are not able to reach an agreement. We believe that the board needs to be given ample time to establish rules, gather information on family leave programs in other states, conduct actuarial analysis, and create a program that is right for Hawaii. It is essential for the board to have access to all the necessary data before making decisions about what would be included in the coverage. In order to allow time for this to be done correctly we encourage the Legislature to remove the deadline of 2020, which is less than 2 years away.

It is important to keep in mind that many businesses here in Hawaii already offer substantial leave as a benefit to employees who have earned it. Our unemployment rates are historically low and the employment climate is very beneficial for employees. In order to hire and retain the best people, our businesses rely on their ability to offer benefits like leave to certain employees. We ask that the bill be amended to specify that any future family leave regulations will include exemptions for businesses that already offer leave that meets or exceeds the requirements of the program.

Finally, to ensure that this measure accomplishes its goals the funding for this program must be protected. We ask that the bill be amended to state that any funding in the Family Leave Special Fund may only be used for the Family Leave Program or for TDI Extension, and that these funds may not be used for any other DLIR projects or programs. Specifically, we oppose money from the Family Leave Special Fund being used to pay for things that should be paid for out of the General Fund, such as updating DLIR's aging tech infrastructure.

We would also like to reiterate the importance of doing a comprehensive cost benefit analysis before implementing a family leave program, one that takes into account not just the benefit to individual employees but the costs to our business community, our labor market, our economy, increased tax dollars to fund the program, and the added cost of living for Hawaii families when prices go up. We thank you for the opportunity to testify.

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March 28, 2018

TO: HONORABLE SYLVIA LUKE, CHAIR, HONORABLE TY CULLEN, &

MEMBERS OF THE HOUSE COMMITTEE ON FINANCE

SUBJECT: COMMENTS RE S.B. 2990, SD2, HD1, RELATING TO FAMILY LEAVE.

Establishes the Prepaid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations in establishing paid family leave for all workers in the State by January 1, 2020. Authorizes DLIR to adopt rules, including interim rules. Repeals the Board on January 1, 2024. Establishes a Paid Family Leave Special Fund and a Prepaid Healthcare Premium Supplementation Special Fund. Appropriates funds. (SB2990

HD1)

HEARING

DATE: Wednesday, March 28, 2018

TIME: 4:00 PM

PLACE: Capitol Room 308

Dear Chair Luke, Vice Chair Cullen and Members of the Committee,

The General Contractors Association (GCA) is an organization comprised of over 500 general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

S.B. 2990, SD2, HD1 proposes to require a public and privately funded Paid Family Leave Special Fund – which will be able to study the various issues surrounding Paid Family Leave before implementation or mandating such program. The bill also proposes to allow the department to adopt rules that codify paid family leave for all workers in the state, while also allowing temporary rules (exempt from Chapter 91, HRS) to be implemented. GCA would prefer that any interim rules not be exempt from Chapter 91 – to allow public input to any interim administrative rules that may directly impact employers.

GCA remains concerned about some of the guidance of this measure and some of the questions that have come up include: If the fund is established how will they monitor the use of the fund? If everyone will have access to the fund once it's established could it lead to potential abuse? Also how will parties determine access to the funds when there is a shortfall? Some employers already provide sick leave and paid time off that can be

House Committee on Finance March 28, 2018 Page 2

used for whatever purpose employees want however this proposal may mandate a paid family leave fund that all must contribute to? What happens if all employees want to access it since they are paying into it?

It is evident that businesses, even in Hawaii, are turning more and more to technology to replace the traditional employee, part of it may be due to the increased costs associated with employee mandated benefits which make doing business more expensive and less cost effective for the end consumer. GCA requests this Committee to take those instances into consideration before adding more employee mandated benefits.

While GCA understands the intent of this measure, any proposed mandate that could potentially impact the ability for a small business to operate and even hire employees should be studied very carefully before adoption. Particular attention should be considered of certain industries like the construction industry, who for the most part, provide their employees with a sufficient wage and benefits package including vacation, medical, health and welfare and other incentives for retention purposes. Pay for absences due to illness are required under the Temporary Disability Insurance law. Further many employers provide family and medical leave benefits over and above the statutory requirement as an additional benefit.

S.B. 2990, SD2, HD1 would allow both employers and employees to further study the matter and compare a medical or family leave program with other states and the federal government. Contractors that do business on federal projects are attempting to comply with the Federal mandates on family and medical leave and if anything request that the policies at the very minimum align with any federal mandates on this matter.

Thank you for the opportunity to share our comments.

HAWAII GOVERNMENT EMPLOYEES ASSOCIATION



AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Ninth Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by Hawaii Government Employees Association

March 28, 2018

S.B. 2990, S.D. 2, H.D. 1 - RELATING TO FAMILY LEAVE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.B. 2990, S.D. 2, H.D. 1 which requires the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, establishes a Paid Family Leave Implementation Task Force, mandates the Legislative Reference Bureau to conduct an actuarial analysis, and creates a paid family leave special fund.

It is commonly accepted knowledge that most workers in Hawaii will utilize family leave at some point in their careers to provide much needed care for a loved one. While we have historically supported the passage of a paid family leave program and recognize that it is long overdue, we must prioritize a thoughtful and systematic approach in the program's creation and implementation. No two state paid family leave models are identical and we must collectively consider existing structures and systems to best formulate a plan for Hawaii. The creation of a Paid Family Leave Implementation Task Force, as outlined in the current version of S.B. 2990, offers a steadfast solution that ensures all of the stakeholders have a seat at the table to consider the intricacies and long term effects, while at the same time sets firm deadlines to guarantee that the paid family leave program is created no later than 2020.

Thank you for the opportunity to testify in strong support of S.B. 2990, S.D. 2, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director





HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

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The Twenty-Ninth Legislature, State of Hawaii Hawaii State House of Representatives Committee on Finance

Testimony by Hawaii State AFL-CIO

March 28, 2018

S.B. 2990, S.D.2, H.D.1 – RELATING TO FAMILY LEAVE

The Hawaii State AFL-CIO strongly supports S.B. 2990, S.D.2, H.D.1 which establishes the Prepaid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations in establishing paid family leave for all workers in the State by January 1, 2020, authorizes DLIR to adopt rules, including interim rules, repeals the Board on January 1, 2024 and establishes a Paid Family Leave Special Fund and a Prepaid Healthcare Premium Supplementation Special Fund.

The United States is the only industrialized country that does not provide paid family leave to workers, mothers, fathers, single parents and those who desperately need it. We get to claim that distinction with Papua New Guinea – a distinction we shouldn't be proud about. It is actually an embarrassment that we have to be discussing the importance of why paid family leave matters. But we do. Fortunately, a number of states and counties are moving forward with their own paid family leave measures and hopefully Hawaii moves forward with them. States such as California, Washington, New York and others have adopted paid family leave sending a strong message to the rest of the country that they care about working families. Hawaii can do the same. Passage of S.B. 2990, S.D.2, H.D.1 will show we care about working families and hopefully one day help pave the way towards a nationwide paid family leave measure.

Thank you for the opportunity to testify.

Randy Perreira

Respectfully submitted,

President

The Twenty-Ninth Legislature Regular Session of 2018

HOUSE OF REPRESENTATIVES

Committee on Finance Rep. Sylvia Luke, Chair Rep. Ty J.K. Cullen, Vice Chair State Capitol, Conference Room 308 Wednesday, March 28, 2018; 4:00 p.m.

STATEMENT OF THE ILWU LOCAL 142 ON S.B. 2990, SD2, HD1 RELATING TO FAMILY LEAVE

The ILWU Local 142 **supports the intent** of S.B. 2990, SD2, HD1, which requires the Department of Labor and Industrial Relations (DLIR) to adopt rules by January 1, 2020 that establish paid family leave for all workers; authorizes the Department to adopt interim rules; establishes the Paid Family Leave Implementation Board to assist the Department and report to the Legislature; repeals the Board on January 1, 2024; establishes a paid family leave special fund; and appropriates funds.

The ILWU fully supports legislation for paid family leave to allow all workers to receive compensation while attending to family needs that require them to be absent from work for short periods of time. However, we are very concerned that one of the three proposed means of funding the Paid Family Leave Special Fund requires contributions from both employers and employees. **The ILWU opposes open-ended employee contributions to pay for what should be an employer-provided benefit.**

The original S.B. 2990 did not specify that contributions from employers and employees would be used to fund paid family leave benefits. Instead, the original bill and a proposed SD1 called for the Implementation Board to review various models to effectuate paid family leave for all workers. Determining from the outset that the Special Fund requires employer <u>and</u> employee contributions may be putting the cart before the horse.

Paid family leave, like Temporary Disability Insurance, should be considered an employee benefit, paid for by the employer as a cost of doing business. Both parties will benefit from paid family leave—i.e., employees will benefit from paid leave to address family responsibilities but employers will also benefit from better productivity and better relations with employees who can take time off when pressing family needs arise without full loss of income. However, if all employees must contribute to the Fund, most, if not all, employees will want to take advantage of the benefit they are paying for. Requests for family leave will increase even if the need may not necessarily support it. If it is a strictly employer-paid leave program, employees are more likely to use it only when the need truly warrants it.

There is no question that most legislators will support the concept of paid family leave. The federal family leave law and even the state law provide for employees of some employers to take unpaid family leave with assurances that their jobs and health care benefits will be protected during the leave period. However, many employees do not take advantage of current family leave laws either because they are not eligible (e.g., their employer employs too few employees) or they cannot afford the loss of income while on unpaid leave.

S.B. 2990, SD2, HD1 will expand family leave and make it <u>paid</u> leave for virtually all employees, regardless of the size of the employer. This sounds ideal for the worker, but the "devil is in the details." S.B. 2990, SD2, HD1 calls for an actuarial analysis, which we believe is absolutely essential to ensure sustainability of the program. The Legislature needs to know how much money must be paid into the Paid Family Leave Special Fund to ensure a paid family leave benefit of varying sizes (e.g., amount of benefit and number of weeks of paid leave). Establishing the benefit before determining what kind of funding is needed will either result in a benefit that is unsustainable or will unduly and unfairly tax both employees and employers.

The Implementation Board should be allowed to consider all models without foregone conclusions about how to fund paid family leave benefits, who will be covered, or what the extent of the benefit will be. Using an actuarial analysis, the Board can determine how much the Special Fund will need and how much can be paid out in benefits. In addition, any analysis should consider the administrative cost of running a program of this magnitude.

The Implementation Board intends to bring together stakeholder representatives, including key legislators, the Director of Labor and Industrial Relations, the Director of Human Resources Development, the Comptroller, the Insurance Commissioner, and representatives from employers of varying sizes, the insurance industry, labor unions, and paid family leave advocates to discuss and determine the best model to implement paid family leave in Hawaii.

Establishing a paid family leave program involves much more than simply willing it to happen. A thorough actuarial analysis is needed to ensure that the program is objective, fair, cost-effective, and sustainable. Those who advocate for paid family leave, including labor unions, want the best possible benefit, but we anticipate that some compromise (i.e., give and take) will be required to end up with a program that all stakeholders believe will be workable.

With input from all sectors, greater buy-in for the program can be established. Expertise from the departments and the insurance industry can also more readily help to identify workable solutions to allow the Board to accomplish its mission of establishing a sustainable, cost-effective paid family leave program.

A final concern is that **the existing Temporary Disability Insurance** (**TDI**) **law must be protected**. Similar to the Prepaid Health Care Act, TDI was landmark legislation when first enacted and has served Hawaii's employees and employers well over the years. We believe that tampering with the law in any significant or not-so-significant way that jeopardizes the benefits workers have come to rely on may end up jeopardizing the stability of the workforce.

The ILWU respectfully urges consideration of the following amendments to S.B. 2990, SD2, HD1:

- 1. Delete the third numbered paragraph in the proposed new HRS 398-__, which will then delete the following sentence as shown: "[(3) Moneys contributed by employers and employees as a condition of paid family leave implementation as established by the paid family leave implementation board]";
- 2. Restore the Director of Labor and Industrial Relations as the chairperson of the Implementation Board and include the Governor's Chief of Staff as an ex-officio member of the Board; and

3. Add language to ensure that existing provisions of the Temporary Disability Insurance (TDI) law, including the provision to permit sick leave that is equivalent to TDI, be kept intact. However, allowing the use of TDI for family leave purposes similar to Act 44, which allows accrued and available sick leave to be used for family leave purposes, may be something to explore.

The ILWU supports the concept of paid family leave but respectfully requests that our comments and proposed amendments be considered. Thank you for the opportunity to testify on this measure.



Aloha e Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance,

The Hawai'i State Commission on Fatherhood strongly supports the passage of SB 2990, which would benefit Hawai'i's parents, children, and the families of our State by establishing the framework for a limited amount paid family leave for the people of Hawai'i. The Commission recently voted unanimously to support SB 2990, and other legislation that would help Hawai'i move closer to providing Hawai'i families with the support they need while they care for their keiki, their kupuna, and their partners.

The Hawai'i State Commission on Fatherhood is an all-volunteer commission established by the State for the purposes codified in Hawai'i Revised Statutes, Chapter 557-E. Our duties include the identification of obstacles that limit the involvement of fathers in the lives of their children, and recommending policies and practices regarding fathers and their children. With respect to both of these duties, we urge the Legislature to establish a paid family leave program.

Various studies have found that paternity leave is strongly correlated with more active parenting by fathers, and more active father-to-mother caregiving following the birth of the child. Numerous studies indicate that these benefits last long after paid leave has ended. In fact, the weeks immediately following birth appear to be a unique window of opportunity where couples set their roles and habits, including fathers establishing their level of activity with their children. Relatedly, active fatherhood is associated with virtually every positive socio-economic outcome, include high educational attainment, employment, healthy lifestyles, and self-esteem. Indeed, facilitating active fatherhood may be one of the most effective ways to address socio-economic challenges over the long term, and meaningful parental leave may be one of the most powerful ways to do so.

Unfortunately, Hawai'i's cost of living, especially for parents with young children, makes parental leave uniquely difficult for our State's families. Many fathers are quick to forego meaningful paternity leave in order to provide financially for their families. Fathers should not have to choose between paying their bills and engaging in a behavior that is highly beneficial to their children, partners and society in the long run. Please pass SB 2990, so that our State can live up to the values we hold dear of caring for our partners, those we bring into the world, and those who brought us here.

Sincerely,

Kawika

Kāwika Riley Chairman Hawai'i State Commission on Fatherhood



49 South Hotel Street, Room 314 Honolulu HI 96813 www.lwv-hawaii.com 808.532.7448 voters@lwv-hawaii.com

FINANCE COMMITTEE

March 28, 2018: 4:00 p.m., Conference Room 308 SB2990 SD2 HD1: RELATING TO FAMILY LEAVE TESTIMONY: Janet Mason, League of Women Voters

Chair Luke, Vice-Chair Cullen, and Committee Members:

The League of Women Voters strongly supports this measure. This approach is the only way that the caregiving needs of all Hawaii workers will be addressed. Otherwise, only employees from larger Hawaii employers (who already have FMLA benefits available to them), have an opportunity to take time off to care for a new baby, a sick family member or a fragile kupuna. Other uncovered workers cannot afford to take unpaid time off from work due to Hawaii's high cost of living, so this measure has an important social justice feature and an intergenerational income transfer effect.

One essential measure of the success of the prepaid plan described in this bill – essentially a self-funded insurance approach- will be whether the Fund is sustainable on a long-term basis. To us, this is the essential goal of the bill. Naturally, the more people who participate in the Fund, the more it will establish a secure financial base for the least cost to participants and taxpayers.

To us, this means using the different "models" referred to in the measure to prepare different scenarios to help determine what minimum employee contribution should be made to reach different benefit level targets, and then making a recommendation on a target benefit level.

Is it contemplated that employers would also contribute to this Fund? This isn't clear from this bill. Another unanswered question concerns the source of "start-up" capital to get the Fund in viable shape to begin paying benefits, since the deadlines suggested in the measure don't speak to the time lag between when contributions are made and when benefits would be paid out.

All these questions can be addressed by the proposed Implementation Board and the Department of Labor and Industrial Relations. States which already operate a "Paid Family Leave" program will have much useful information to contribute to this assessment, as will the actuarial analysis required in this measure. We applaud Hawaii's efforts to provide a much-needed benefit for Hawaii workers. Thank you for the opportunity to submit testimony.



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House of Representatives Committee on Finance Wednesday, March 28, 2018 4:00 p.m. Conference Room 308

To: Representative Sylvia Luke, Chair

Re: S.B. No. 2990, S.D. 2, H.D. 1, Relating to Family Leave

Dear Chair Luke, Vice-Chair Cullen, and Members of the Committee,

My name is Kerry M. Komatsubara and I am the Advocacy Director for AARP Hawaii. AARP is a membership organization of people age fifty and over with about 150,000 members in Hawaii. AARP advocates for issues that matter to Hawaii families and we strive to serve as a reliable information source on issues critical to people over the age of fifty.

The Need for Paid Family Leave

Family caregivers are the backbone of Hawaii's long term care system. They are the first line of assistance for most people, helping to make it possible for older adults and people with disabilities to remain at home, and out of costly, taxpayer-funded institutions like nursing homes.

Working family caregivers have varying leave needs. Whether they work full time or part time, they must often divert attention away from their jobs to make work-related adjustments to accommodate the needs of the person who needs care. The vast majority (74 percent) of family caregivers have worked at a paying job at some point during their caregiving experience, and most (58 percent) are currently employed either full-time or part-time, setting up a stressful juggling act between work, their caregiving role, and other family responsibilities. And when work requirements conflict with family obligations, some employed family caregivers have to make difficult decisions that can lead to lost wages and missed career opportunities.

The practical reality is that many workers in Hawaii, struggling to make ends meet from paycheck to paycheck, simply cannot afford to take unpaid leave. We support paid family leave in Hawaii because we believe family caregivers should not have to choose between taking care of mom or dad, or losing a paycheck, or even risk losing their job.

Arriving at a Workable Program

AARP Hawaii supports the concept of paid family leave in Hawaii, and we believe that S.B. No 2990, S.D. 2, H.D. 1, is a sensible approach to "lay the groundwork to implement a paid family leave framework of laws and policies so that all employees can access leave benefits during times when they need to provide care for a family member." (Citing the last paragraph of Section 1 of S.B. No. 2990, S.D. 2. H.D. 1) We urge this Committee to take favorable action on this bill.

Thank you for the opportunity to present this testimony on S.B. No. 2990, S.D. 2, H.D. 1.





March 28, 2018

To: Representative Sylvia Luke, Chair

Representative Ty Cullen, Vice Chair and Members of the Committee on Finance

From: Jeanne Y. Ohta, Co-Chair

RE: SB 2990 SD2 Relating to Paid Family Leave

Hearing: Wednesday, March 28, 2018, 4:00 p.m., Room 308

POSITION: Strong Support

The Hawai'i State Democratic Women's Caucus writes in strong support of SB 2350 SD2 Relating to Family Leave. Hawaii's workers and businesses need family leave insurance. A family leave insurance program enables workers to take time off during major life events and helps businesses retain key employees and remain competitive. The Family and Medical Leave Act (FMLA) and Hawaii Family Leave Law (HFLL) leave out a significant portion of Hawaii's workforce, and neither law offers paid time off from work. This means that even those who technically qualify for unpaid family leave under state or federal law may not be able to afford to take adequate time off to meet their family's needs.

Family leave insurance promotes gender equity in the workplace and economic stability for women. Access to paid family leave makes mothers more likely to return to work after the birth of a child, makes women return to work more quickly, and makes women more likely to return to the same or higher wages than they were earning before they gave birth.

HSDWC believes that it is important for Hawaii's Paid Family Leave program to follow a social insurance model like Social Security that would cover all workers.

Paid family leave encourages women to participate in the workforce. With Hawaii's extremely low unemployment rate, businesses have a shortage of employees. Encouraging additional labor participation is good business and is good for Hawaii's economy.

Women who take paid parental leave and return to work are 39% less likely to receive public assistance and 40% less likely to receive food stamps than women who do not take paid leave and return to work. The availability of family leave insurance benefits leads to increased rates of breastfeeding, which has been shown to have long-term health benefits.

The Hawai'i 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.

We ask that the committee pass this measure and we thank the committee for the opportunity to provide testimony.

<u>SB-2990-HD-1</u> Submitted on: 3/27/2018 10:17:49 AM Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Foster	The Kupuna Caucus of the Democratic Party of Hawaii AND Hawaii Advocates For Consumer Rights	Support	No

Comments:

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PO. Box 23404 Honolulu Hawai'i 96823

March 26, 2018

TO: Honorable Chair Luke and Members of the Finance Committee

RE: SB 2990 SD2 HD1 Relating to Family Leave

Support for hearing on March 28

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 2990 SD2 HD1 1 as it would establish a program for paid family leave insurance. Our organization had a high school intern a couple of years ago named Nick Chang. He spent the summer trying to find out what policy change would do the most to reduce the gap between the wages of men and women in Hawai'i. His answer was paid family leave insurance. This does not include the other benefits of this program for children and other family members who need care. Although this program may ultimately have a small cost to workers and/or employers, it would have great benefits for families in need.

Thank you for your favorable consideration.

Sincerely,

John Bickel President



Meals From the Heart = Food For the Soul

Our Mission

Hawai'i Meals on Wheels, Inc., a private, not-for-profit 501(c)3 organization, is dedicated to helping O'ahu's elders and individuals with disabilities preserve their independence at home. We do this by providing hot, nutritious meals and regular, personal interaction with those we serve.

Hawai`i Meals on Wheels, Inc. P.O. Box 61194 Honolulu, HI 96839-1194 (808) 988-6747 www.hmow.org

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Brenda Wong Kapiolani Medical Center

Irmgard Hörmann Emerita and Founder Support for SB2990 Relating to Family Leave

27 March 2018

Aloha Chair Luke, Vice Chair Cullen, and Committee Members:

Hawai'i's 60+ population increased from 115,670 in 1980 to 227,400 in 2010. (Source: U.S. Census Bureau). By 2020, this population is projected to increase to 373,450 representing 26% of the overall state population. (Source: DBEDT 2035 Series, July 2009). In addition, *Hawaii's kupuna have a longer life expectancy* than those around the nation.

In 2017, Hawaii Meals on Wheels delivered <u>105,731</u> hot meals to over <u>800 kupuna</u> each weekday. Our routes span from Hawaii Kai to Ewa Beach, Pearl City to Mililani, and Windward Oahu from Kaneohe to Waimanalo.

With growing numbers of the chronically ill elderly and the rising costs of hospital and nursing home care, many of our seniors have chosen to age at home. Hawaii Meals on Wheels help our elderly and their family members carry out these tasks of daily living. In fact, we provide respite services for many family-member caregivers who are unable to provide a specialized meal for their Kupuna due to working full time and/or a specialized prescribed medical diet.

As a strong supporter of aging at home for our seniors, it is important to create a strong safety net for our Kupuna and our families and thus, we support SB2990.

Mahalo for your service to the community.

Sincerely,

Michelle Cordero-Lee CEO, Hawaii Meals on Wheels

Michelle Cordero-Lee
Chief Executive Officer



March 26, 2018

Representative Sylvia Luke, Chair Representative Ty J.Y. Cullen, Vice Chair House Committee on Finance

Re: S.B. 2990 S.D.2 H.D.1 Relating to Family Leave

Hearing: Wednesday, March 28, 2018, 4:00 p.m., Room 308

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance:

Hawaii Women Lawyers submits testimony in **strong support** of S.B. 2990, S.D.2 H.D.1. This measure ensures a paid family leave special fund and lays the groundwork to implement a paid family leave framework of law and policies so that all employees can access leave benefits during times when they need to provide care for a family member.

The mission of Hawaii Women Lawyers is to improve the lives and careers of women in all aspects of the legal profession, influence the future of the legal profession, and enhance the status of women and promote equal opportunities for all.

This bill is exceptionally important as Hawaii now is expected to have the highest growth rate (over 80 percent by 2030) of the elderly in the United States. Women are predominantly the primary caregivers of infants, children and their elder family members in our society. The time and money required to provide this care can be staggering. Women caregivers are more likely to either leave the workforce completely, or opt to work part-time, than their male counterparts if they must take over primary caregiver responsibility. This further exacerbates the already existing wage discrepancy for women. Paid family leave is a necessary and cost-effective way for caregivers to take leave from work to care for their families without facing significant financial or career implications.

Hawaii Women Lawyers supports this measure because it moves forward a system to support women who are the predominant primary caregivers of infants, children, and their aging parents. Paid family leave is also likely to encourage loyalty for women to remain in their careers. This measure will begin the necessary steps to frame and implement a sound family leave policy to protect and preserve Hawaii families' health and financial stability. For this reason, we respectfully request that the Committee pass S.B. 2990, S.D.2 H.D.1.

Thank you for the opportunity to testify in strong support of this measure.



Helping Hawai'i Live Well

To: Representative Sylvia Luke, Chair, Representative Ty Cullen, Vice Chair, Members, House Committee on Finance

From: Trisha Kajimura, Executive Director

Re: TESTIMONY IN SUPPORT OF SB 2990 SD2 HD1, RELATING TO FAMILY LEAVE, Requesting Amendments

Hearing: March 28, 2018, 4:00 pm, CR 308

Thank you for hearing **Senate Bill 2990, SD2 HD1,** which would enable workers to take paid time off during major life events. We support 16 weeks' wage replacement, a flexible and non-burdensome combination of employee and employer contributions, while providing wage replacement insurance for the birth, adoption, or fostering of a child, including leave for caregiving for a family member's serious health condition(s), and/or a service member's qualifying exigency. With this program, Hawaii could provide 16 weeks of leave to care for a new child or sick or injured family member, and it would only cost around \$58 per year (\$1.12 per week) to cover a worker making \$48,000 annually.

This policy should provide a progressive wage replacement so that lower-income workers can access a higher percentage of income in order to afford to take leave. Additionally, there should be an opt-in for the self-employed, and there are no eligibility carve-outs for the employer's industry or business size, so ALL Hawaii workers have access to a program with the most affordable premiums/contributions, and is transferable if people change jobs or industry.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

Mental Health America of Hawaii is a 501(c)3 organization founded in Hawai'i 76 years ago, that serves the community by promoting mental health through advocacy, education and service. We are supporting this measure because maintaining healthy families in Hawaii means that family members occasionally have to take off from work to be caregivers. We believe that workers should be able to access this type of support so that they can have peace of mind while caring for their families and go back to work with less financial burden and work with higher productivity. High levels of stress threaten mental health and we need this policy to help family caregivers

Thank you for considering my **testimony in support of SB 2990 SD2 HD1**. Please contact me at <u>trisha.kajimura@mentalhealthhawaii.org</u> or (808)521-1846 if you have any questions.

<u>SB-2990-HD-1</u> Submitted on: 3/26/2018 5:28:46 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
amy agbayani	Filipina Advocacy Network FAN	Support	No

Comments:

Filipina Advocacy Network respectfully urges you pass SB 2990 relating to family leave. Working family members need paid family leave to provide for basic needs for their families.

Amy Agbayani



To: Hawaii State House of Representatives Committee on Finance

Hearing Date/Time: Wed., Mar. 28, 2018, 4:00 p.m. Place: Hawaii State Capitol, Rm. 308

Re: Testimony of Planned Parenthood Votes Northwest and Hawaii in support of S.B. 2990,

SD2, HD1, with amendments

Dear Chair Luke and Members of the Committee,

Planned Parenthood Votes Northwest and Hawaii ("PPVNH") writes in support of S.B. 2990, SD2, HD1, with amendments. PPVNH supports polices that help move us to a society in which it is feasible and commonplace to have family leave insurance ("FLI") and the funding mechanisms that make such leave available to all workers.

We request, however, that the bill be amended to specify that any resulting program (1) must be structured as social insurance, and (2) must provide at least 16 weeks of paid leave.

Most workers have only limited paid leave to deal with their family health needs, and many have no leave at all. When a new child comes into a family or a serious illness strikes, people need longer periods of time off. FLI provides low-cost insurance for all workers, and is a wage replacement program for employees on leave to adopt or give birth to a child, take care of a loved one, or care for themselves.

FLI allows new parents and caregivers to take care of their family with stable, predictable income without becoming dependent on public resources like unemployment insurance or food stamps. Women who have paid leave tend to not only remain in the workforce after pregnancy, but have higher wages over time than those who do not. While it is crucial for women's economic security and health to have FLI, families of all forms need this benefit too. Businesses see improvements in productivity and cost-savings as a result of providing paid family leave for workers.

Thank you for this opportunity to testify in support of this important measure.

Sincerely,

Laurie Field Hawaii Legislative Director

SB-2990-HD-1

Submitted on: 3/27/2018 3:47:35 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

Good afternoon, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **SB2990 SD2 HD1**, relating to Paid Family Leave; DLIR; Insurance; Board; Report; and an Appropriation.

The OCC Legislative Priorities Committee is in favor of **SB2990 SD2 HD1** and support its passage.

SB2990 SD2 HD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it establishes the Prepaid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations in establishing paid family leave for all workers in the State by January 1, 2020; authorizes DLIR to adopt rules, including interim rules. Repeals the Board on January 1, 2024; establishes a Paid Family Leave Special Fund and a Prepaid Healthcare Premium Supplementation Special Fund; and appropriates funds.

Currently, Hawaii employees do not have a right to paid medical or family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees. The Hawaii Family Leave Act applies to employers with 100 or more employees and allows for job protection up to four weeks. This is also unpaid leave.

According to the U.S. Department of Labor, Bureau of Labor Statistics, about 13 percent U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

SB2990 SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

• Universal coverage – all people and employers would participate in the

system • Job Protection – if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave

• Progressive Wage Replacement – Many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving.
 - A requirement that the program operate as social insurance.

 By creating a comprehensive Paid Family Leave Program, all families and the

by creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Given that **SB2990 SD2 HD1** establishes the Prepaid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations in establishing paid family leave for all workers in the State by January 1, 2020; authorizes DLIR to adopt rules, including interim rules. Repeals the Board on January 1, 2024; establishes a Paid Family Leave Special Fund and a Prepaid Healthcare Premium Supplementation Special Fund; and appropriates funds, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

SB-2990-HD-1

Submitted on: 3/26/2018 9:21:54 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Barbra Pleadwell	YWCA Oahu	Support	No	

Comments:

To: Hawaii State House Committee on Finance

Hearing Date/Time: Wednesday, March 28, 2018, 4PM

Place: Hawaii State Capitol, Rm. 308

Re: Testimony in support of S.B 2990 SD2 HD1, relating to family leave insurance

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to share my testimony in **support of SB 2990 SD2 HD1**, relating to family leave insurance. Hawaii's workers and businesses need family leave insurance. A family leave insurance program enables workers to take time off during major life events and helps businesses retain key employees and remain competitive.

Many of Hawaii's workers are already taking unpaid time off to care for a child or family member. This benefit helps ensure that workers who need to take leave are able to remain economically secure during their leave and that they can return to their jobs. The actuarial measured both unpaid and paid leave-taking behavior, and found that the availability of family leave insurance would not dramatically increase the portion of Hawaii's workforce taking leave each year. Qualifying life events for which leave can be taken are rare occurrences in one's life.

I respectively offer the following amendments:

- Changing Section 3 to: A minimum of **16 weeks**
- Requiring the paid family program to be a social insurance model

We need to support all our working families in our state. I **support SB 2990 SD2 HD1** and respectfully request you pass the measure. Thank you for your consideration and for the opportunity to provide testimony on this matter.

Barbra Pleadwell



TO: Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance

FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

DATE/LOCATION: March 28, 2018; 4:00 p.m., Conference Room 308

RE: COMMENTS REGARDING SB 2990- RELATING TO FAMILY LEAVE

Thank you for allowing us to share comments on SB 2990 – Relating to family leave. This bill proposes to implement a paid family leave system in the State and establishes a paid family leave special fund to be administered by the Department of Labor and Industrial Relations (DLIR). The benefits of this bill would be that it would allow Hawaii's working individuals and families to focus on both employment and caring for their families.

Many of Hawaii's working families are not afforded adequate amounts of paid leave causing financial hardship and increased dependency on public assistance during times of illness or caregiving. Low-wage workers are the least likely to have access to paid leave forcing them to choose between maintaining employment or caring for their families. A family leave insurance program could enable workers to retain employment while caring for family and help businesses retain key employees and remain competitive.

Paid family leave is often associated with increased benefits for employers, employees, families and the economy:

- Increased health outcomes for children and mothers
- Increased bonding between parents and children
- Increased elderly individuals being able to age in place with family caregiver support
- Increased employee retention
- Increased gender equity in the workplace
- Decreased dependence on public assistance

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii's not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 18,000 people across the state annually, PACT helps families

identify, address and successfully resolve challenges through its 16 programs. Among its services are: early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, child and adolescent behavioral health programs, sex trafficking intervention, and community building programs.

Thank you for the opportunity to share our comment regarding **SB 2990**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.



To: The Honorable Sylvia Luke, Chair

The Honorable Ty J.K. Cullen, Vice Chair

Members, Committee on Finance

From: Paula Yoshioka, Vice President, Government Relations and External Affairs, The

Queen's Health Systems

Date: March 27, 2018

Hrg: House Committee on Finance; Wednesday, March 28, 2018 at 4:00PM in Room 308

Re: Comments on SB 2990, SD2, HD1 Relating to Family Leave

My name is Paula Yoshioka and I am the Vice President of Government Relations and External Affairs at The Queen's Health Systems (Queen's). We would like to provide **comments** and express our concerns on SB 2990, SD2, HD1 Relating to Family Leave. This bill establishes the Prepaid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations (DLIR) in establishing paid family leave for all workers in the State by January 1, 2020. It also authorizes DLIR to adopt rules, including interim rules. Repeals the Board on January 1, 2024. Establishes a Paid Family Leave Special Fund and a Prepaid Healthcare Premium Supplementation Special Fund. Appropriates funds.

We acknowledge and appreciate the intent of this bill to provide paid family leave to all workers in the state. Queen's currently provides family leave to its employees administered in conjunction with paid time off that is in compliance with all federal and state laws. The legislature has proposed an ambitious and creative method of accomplishing a statewide paid family leave program and we commend the legislature for including business and health care community members on the Paid Family Leave Implementation Board. However, we are concerned with the current language in this bill due to its vague nature and the impossibility of calculating its impact on our system and our employees.

We do not believe it is prudent to establish a funding mechanism and implementation date requirements for a paid family leave program without first knowing the details for how the program is to be implemented. In particular, we are alarmed by the lack of information on the number of weeks employees will be allowed to take paid family leave, how and how much funding for the special fund will be collected from both employers and employees, how DLIR will manage this program, and how this program will impact employers' current leave programs, benefits packages, and collective bargaining agreements. Without knowing these details, we believe this bill creates a possibility for a massive burden on employers who may need to take on significant costs to contribute to the special fund, completely restructure benefits packages and collective bargaining agreements, as well as possibly administer significant portions of the leave program on behalf of the state if DLIR lacks the capacity. These changes could potentially have substantial negative impacts on our employees; however, the vague nature of this bill precludes us from calculating this impact accurately.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.

P. Yoshioka, The Queen's Health System Page 2

We ask that the legislature provide more clarity on process before creating a mandated paid family leave program. We also ask the legislature to consider exempting employers that already provide generous paid leave and family leave for their employees.

We appreciate the opportunity to provide comments on this measure. Thank you for your time and attention to this important issue.



MOLOKAI CHAMBER OF COMMERCE

P.O. Box 515 Kaunakakai, HI 96748

T 808 646 0928

info@molokaichamber.org

www.molokaichamber.org

March 28, 2018

HOUSE OF REPRESENTATIVES THE TWENTY-NINTH LEGISLATURE REGULAR SESSION OF 2018

COMMITTEE ON FINANCE Rep. Sylvia Luke, Chair Rep. Ty J.K. Cullen, Vice Chair

Wednesday, March 28, 2018 4:00 p.m. Conference Room 308 State Capitol, 415 South Beretania Street

OPPOSE SB 2990, SD2, HD1, RELATING TO FAMILY LEAVE.

Honorable COMMITTEE ON FINANCE Chair Luke, Vice Chair Cullen and Committee Members:

As a representative organization of the neighbor-island of Molokai with dozens of members who employ hundreds of our neighbors, friends and families, we are respectfully submitting testimony to **OPPOSE** SB 2990 SD2, HD1.

To add to our previous testimony on a similar measure and echo the position of our partner organization, the Chamber of Commerce of Hawaii, We understand the intent of this bill to allow for paid leave in the workplace and agree that citizens need to balance the needs of work and family. Also, we appreciate the effort to bring different stakeholders together to come up with a paid family leave program. However, we do not support this bill

With the already significant challenges of operating a business on Molokai and the loss to our island economy as a result of the upcoming closure of one of our largest employers, Mycogen Seeds, many of our businesses will not be able to absorb the increased cost should this measure become signed into law.

If mandated to provide paid family leave, many of our businesses will not be able to expand their operations, maintain their current operational capacity, and may have to reduce the number of employees in order to absorb the costs associated with this measure.

Any increase in the cost of doing business threatens to tip the balance of our economy.

You have the ability to stop this from further crippling our business community and exacerbating the already fragile state of our island economy. We ask that you as legislators be thoughtful in considering the unintended consequences this measure will create. We can't afford another step in the wrong direction. We just can't.

The Molokai Chamber of Commerce respectfully asks that you do not pass this measure.

Sincerely,

Robert Stephenson, President & CEO









To: Rep. Sylvia Luke, Chair

Rep. Ty J.K. Cullen, Vice Chair

From: Jozette Montalvo

Hawaii Petroleum, Inc.-Human Resources Director **RE: SB2990 Relating to the Family Leave**

Date: March 26, 2017

Thank you for the opportunity to provide testimony. Hawaii Petroleum Company is an independent petroleum marketer operating on the islands of Maui and Hawaii, with approximately 325 employees on two islands. We operate sixteen Minit Stop convenience stores throughout the islands of Maui and Hawaii.

Hawaii Petroleum **opposes SB2990** for the following reasons.

While we understand the intent of this bill, this bill would result in tremendous cost to all organizations in the State of Hawaii which of course has a trickle effect. Hawaii is already one of the most expensive states to do business in. These additional costs would ultimately be passed onto consumers in the form of higher prices, further increasing the cost of residents to live in the State of Hawaii as well as the costs for tourist to visit our islands.

Employers already have laws in place to provide "leaves" to our employees and we comply with leave laws such as the Family Medical Leave Act, as well as the Hawaii Family Leave Law. An additional "leave" law is not necessary and will conflict with what is already in place.

Keeping our Convenience Stores fully staffed is already a challenging feat. Incentivizing employees to stay home with pay for family leave, will further hinder our ability to adequately staff our stores as employers are faced with unemployment at 2% or less.

For these very reasons, I kindly ask that you vote **NO** on **SB2990.**

Mahalo!

Board of Directors

TESTIMONY FROM BENNETTE MISALUCHA, EXECUTIVE DIRECTOR

President
Alan Takemoto

IN OPPOSITION OF SB 2990, SD2, HD1 RELATING TO FAMILY LEAVE

Vice-President Joshua Uyehara

HOUSE COMMITTEE ON FINANCE March 28, 2018, 4:00 p.m. Conference Room 308

Secretary
Dawn Bicoy

Chair Luke and members of the committee:

<u>Treasurer</u> Laurie Yoshida

The Hawaii Crop Improvement Association (HCIA) is a Hawaii-based non-profit organization that promotes modern agriculture to help farmers and communities succeed. Through education, collaboration, and advocacy, we work to ensure a safe and sustainable food supply, support responsible farming practices, and build a healthy state economy.

Directors-at-Large
Adolf Helm
Mark Stoutemyer
Dan Clegg
Gene Harrington

HCIA **opposes SB 2990, SD2, HD1**, which requires the Department of Labor and Industrial Relations to adopt rules by 1/1/2020 that establish paid family leave for all workers.

President Emeritus Kirby Kester

While we understand and appreciate the intent of this bill to allow for paid leave in the workplace, we're concerned about the impact it will have on small farmers. Agriculture is a tough business and many farmers struggle with the high cost of operations. With every additional workplace mandate, the competitive distance is increased, which in turn, affects the ability for employers to sustain and create jobs, as well as provide benefits to employees.

Executive Director
Bennette Misalucha

Please oppose this bill. Mahalo for your consideration.

Sincerely,

Bennette Misalucha

Executive Director, Hawaii Crop Improvement Association



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Testimony to the House Committee on Finance Wednesday, March 28, 2018 4:00 pm State Capitol, Room 308

RE: SB 2990 SD2 HD1 - Relating to Family Leave

Chair Luke, Vice-Chair Cullen, & members of the Committee:

My name is Gladys Quinto-Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

We are in opposition to S.B. 2990 SD2, which would require the Department of Labor and Industrial Relations to adopt rules that establish paid family leave for all workers. This bill also authorizes the Department to adopt interim rules, establishes the Paid Family Leave Implementation Board to assist the Department and report to the Legislature, and establishes a Paid Family Leave Special Fund.

We appreciate and understand the intent of this bill to allow for paid leave in the workplace. Many employers already offer generous paid leave packages. Mandated sick leave may have an adverse impact upon current leave packages that exceed the minimum standard as illustrated in the bill. In addition, we do have concerns about a standard length of leave required, and the effect that could have on regular business operations.

The establishment of the Paid Family Leave Special Fund is also of concern. The oversight, implementation, and management of the fund is unclear. Perhaps a more efficient solution could be to use a fund that is already established and that employers already contribute to, such as the Temporary Disability Insurance fund.

We are opposed to S.B. 2990 SD2, and appreciate the opportunity to express our views on this matter.



1654 South King Street Honolulu, Hawaii 96826-2097 Telephone: (808) 941.0556 Fax: (808) 945.0019

www.hcul.org

Email: info@hcul.org

Testimony to the House Committee on Finance Tuesday, March 28, 2018; 4:00 pm State Capitol, Room 308

<u>Testimony on Opposition to SB 2990 HD1 – Relating to Family Leave</u>

To: The Honorable Sylvia Luke, Chair The Honorable Ty Cullen, 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 57 Hawaii credit unions, representing over 800,000 credit union members across the state.

We are in opposition to SB 2990 HD1. While we appreciate and understand the intent of this bill to allow for various types of paid leave in the workplace, we are concerned about the cost, management, and oversight of such a system. Many employers already offer generous paid leave packages to employees. Having a requirement in the law such as this may have an unintended, adverse effect on employees who already receive paid leave through their employer. This bill may also be a hardship upon small businesses.

In addition, this bill would establish the paid family leave special fund. We are concerned about the cost and management of such a fund. The contribution of money into this fund by employees may have an adverse effect on the cost of running a business in Hawaii.

Thank you for the opportunity to testify.

Katherine T. Kupukaa Mililani Town, HI 96789

COMMITTEE ON FINANCE Rep. Sylvia Luke, Chair Rep. Ty J.K. Cullen, Vice Chair

DATE: Wednesday March 28, 2018

TIME: 4:00 p.m.

PLACE: Conference Room 308

State Capitol

415 South Beretania Street

RE: OPPOSE SB 2990, SD2, HD1 RELATING TO FAMILY LEAVE

I oppose SB2990, SD2, HD1 because this bill is all about subsidizing the employees, benefits all the individuals who will receive the paid leave. It totally disregards the businesses that will be mandated to provide this benefit.

Government should not enact laws that businesses should provide the kind of benefits to their employees. At the same time individuals have a choice to whether to work for a business that offer benefits the individual desires to have. I have worked both in the private sector and government. I had choices to make.

Leave the businesses alone and let them decide what benefits to offer their employees. Do not add any more burdens to them. It is hard enough for businesses in Hawaii to survive.

Thank you for allowing me the opportunity to voice my concern.

<u>SB-2990-HD-1</u> Submitted on: 3/24/2018 5:58:16 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Minton	Individual	Support	No

Comments:

<u>SB-2990-HD-1</u> Submitted on: 3/26/2018 3:52:17 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Teri Heede	Individual	Support	No

Comments:

You want to start solving society's problems, start with this.

There needs to be more family time to build strong bonds and loving homes.

SB-2990-HD-1

Submitted on: 3/26/2018 9:32:43 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicole A Velasco	Individual	Support	No

Comments:

To: Hawaii State House Committee on Finance

Hearing Date/Time: Wednesday, March 28, 2018, 4PM

Place: Hawaii State Capitol, Rm. 308

Re: Testimony in support of S.B 2990 SD2 HD1, relating to family leave insurance

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to share my testimony in **support of SB 2990 SD2 HD1**, relating to family leave insurance. Hawaii's workers and businesses need family leave insurance. A family leave insurance program enables workers to take time off during major life events and helps businesses retain key employees and remain competitive.

Many of Hawaii's workers are already taking unpaid time off to care for a child or family member. This benefit helps ensure that workers who need to take leave are able to remain economically secure during their leave and that they can return to their jobs. The actuarial measured both unpaid and paid leave-taking behavior, and found that the availability of family leave insurance would not dramatically increase the portion of Hawaii's workforce taking leave each year. Qualifying life events for which leave can be taken are rare occurrences in one's life.

I respectively offer the following amendments:

- Changing Section 3 to: A minimum of 16 weeks
- Requiring the paid family program to be a social insurance model

We need to support all our working families in our state. I **support SB 2990 SD2 HD1** and respectfully request you pass the measure. Thank you for your consideration and for the opportunity to provide testimony on this matter.

Mahalo,

Nicole A. Velasco, YWCA Board of Directors

To: Chair Sylvia Luke, Vice Chair Ty J.K. Cullen, and members of the House Committee on Finance

Subject: Testimony in SUPPORT of SB 2990, SD2, HD1, Relating to Family Leave

Hearing: Hawaii State Capitol, Room 308, March 28, 2018, 4:00 PM

Thank you Chair, Vice Chair for allowing this testimony in SUPPORT of SB2990 SD1 HD1 regarding Family Leave Insurance.

The United States is the only industrialized nation without paid maternity leave. By establishing paid leave in Hawaii, we would join the states of California, Washington, New Jersey and Rhode Island who have paid family leave.

The Family Leave and Medical Leave Act was passed in 1993. However, while the bill provided leave, it provided no wage replacement. For many workers, that meant taking time off for the birth of a baby or to care for a family member was economically impossible.

SB2990, SD2, HD1 would provide for the review of paid leave systems with the goal of establishing the best system for Hawaii by 2020.

I note that US Dept of Labor funded a study for paid family leave program in Hawaii which was completed in 2017 and authored by well-regarded national experts in the field. That study should be included as a reference and reviewed by the implementation group for consideration. The DOL study proposed a Paid Family Leave Insurance program which would provide progressive wage replacement from very affordable employee contributions of about \$1 per week. Progressive wage replacement pays low income workers a higher percentage of wages allowing them the economic resources to take time off for the birth of a baby or for the illness of a parent.

I support the testimony of HCAN in support of this bill. Thank you again for allowing me to testify in support of this bill.

Sincerely,

Amy Monk

Commissioner, Hawaii State Commission on the Status of Women

<u>SB-2990-HD-1</u> Submitted on: 3/27/2018 7:42:07 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Rocca	Individual	Support	No

Comments:

I strongly urge the committee to pass this measure.

SB-2990-HD-1

Submitted on: 3/27/2018 9:09:42 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeannine	Individual	Support	No

Comments:

As the chair of the YWCA Advocacy Committee a member of its board, I am writing in strong **support of SB 2990 SD2** to establish a paid family leave insurance policy.

Hawaii's workers and businesses need family leave insurance. A family leave insurance program enables workers to take time off during major life events and helps businesses retain key employees and remain competitive.

I respectively offer the following amendments to this bill:

- Changing Section 3 to: A minimum of 16 weeks
- Requiring the paid family program be a social insurance model

The extraordinary demands placed on our workforce puts families in jeopardy. Many of Hawaii's workers are already taking unpaid time off to care for a child or family member. This benefit helps ensure that workers who need to take leave are able to remain economically secure during their leave and that they can return to their jobs. The actuarial measured both unpaid and paid leave-taking behavior, and found that the availability of family leave insurance would not dramatically increase the portion of Hawaii's workforce taking leave each year. Qualifying life events for which leave can be taken are rare occurrences in one's life.

We need to support all our working families in our state.

Thank you for your consideration.

Sincerely,

Jeannine Souki

SB-2990-HD-1

Submitted on: 3/27/2018 9:03:51 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Shay Chan Hodges	Individual	Support	No	

Comments:

Aloha:

My name is Shay Chan Hodges and this is my fourth year submitting testimony in support of Paid Family Leave – also known as Family Leave Insurance -- in Hawaii.

I support SB 2990, SD2, HD1, which would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- · Universal coverage all people and employers would participate in the system
- · Job Protection if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement Many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

As you know, this year, we have data showing how little a Family Leave Insurance program will cost. In a U.S. Department of Labor–funded study, the Institute for Women's Policy Research conducted a cost-benefit analysis, detailing four different models for providing paid leave for caregiving and medical needs in Hawaii. The most far-reaching model would cost from \$30–\$60 per employee per year, and would pay for both employee compensation and \$1.7 million in administrative expenses. This option would provide 16 weeks of Family Leave Insurance, with compensation ranging from 50 percent of earnings for higher-wage workers to 90 percent of earnings for minimum-wage employees.

In Hawaii's current economy, both families and small businesses are stretched thin. This Paid Family Leave Insurance law would provide much needed support for individuals who need time off to care for themselves or their ohana, as well as for their employers, who need to be able to retain employees in the long term, but who might not otherwise be able to provide this crucial benefit – especially smaller businesses on the neighbor islands.

Interestingly, in discussing the results of this study with various Hawaii residents, both parents and employers have said that they would be willing to take responsibility for the full \$60 per year per person for a Family Leave Insurance program because of the low cost of such a crucial benefit.

I am very heartened by the fact that the Hawaii State Legislature has shown such strong support of a Paid Leave Insurance Program this session. To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- · A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

I urge you to pass the Family Leave Insurance bill, with the amendments suggested, thereby supporting women, parents, and businesses so that we can create the 21st century economy that this state so sorely needs.

Mahalo.

Shay Chan Hodges

Haiku, Maui, Hawaii

From: <u>Matthew Markham</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 10:55:36 AM

From: markham.matthew@gmail.com <Matthew Markham>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

Currently, Hawaii employees do not have a right to paid medical or family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees. The Hawaii Family Leave Act applies to employers with 100 or more employees and allows for job protection up to four weeks. This is also unpaid leave.

According to the U.S. Department of Labor, Bureau of Labor Statistics, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

SB 2990, SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- Universal coverage all people and employers would participate in the system
- Job Protection if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

Matthew Markham

From: <u>Dolly Capili</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 10:15:35 AM

From: dcapili@fhb.com <Dolly Capili>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Dolly Capili

From: <u>Faye Salcedo</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 9:56:18 AM

From: fmosalcedo@gmail.com <Faye Salcedo>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Faye Salcedo

From: Paul Bresnahan
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 9:52:07 AM

From: paulbres@hawaii.edu <Paul Bresnahan>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Paul Bresnahan

From: Paul Gauci
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 9:45:15 AM

From: paulgauci100@gmail.com <Paul Gauci>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Paul Gauci

From: <u>Javzandulam Azuma</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 9:41:06 AM

From: javzan@hawaii.edu <Javzandulam Azuma>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Javzandulam Azuma

From: Susan Hua
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 9:37:20 AM

From: susanhua@hawaii.edu <Susan Hua>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Susan Hua

From: Hawaii Maternal And Infant Health Collaborative Healthy And Welcomed Births

To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 9:33:27 AM

From: jyfarnsworth@gmail.com <Hawaii Maternal And Infant Health Collaborative Healthy And Welcomed Births>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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• A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Hawaii Maternal And Infant Health Collaborative Healthy And Welcomed Births

From: <u>Kenny Lopez</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 9:30:13 AM

From: kennylop@hawaii.edu <Kenny Lopez>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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- A requirement that the program operate as social insurance

Kenny Lopez

From: Ruth Park
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 9:24:53 AM

From: rpark623@gmai.com <Ruth Park>

Message:

Providing Paid Family Leave in Hawaii will be a sure sign the government in Hawaii takeas care of its people. It will change peoples lives for the better and set an example for others on the mainland.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

• A guarantee of sixteen (16) weeks of paid family leave

- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

Ruth Park

From: <u>Lea Minton</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 6:47:58 AM

From: lea.tiare@gmail.com <Lea Minton>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Lea Minton

From: <u>Judy Kern</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 5:51:12 AM

From: jkern@hawaii.rr.com <Judy Kern>

Message:

Paid family leave will benefit our entire community -- please pass this legislation to support families, kupuna, keiki, and hard working caregivers. Mahalo.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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• A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Judy Kern

honolulu

HI

From: Kathryn Braun
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 5:04:29 AM

From: kbraun2000@gmail.com <Kathryn Braun>

Message:

I support this bill. Hope you do too. Thanks - Kathryn

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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purposes of caregivingA requirement that the program operate as social insurance

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Kathryn Braun

From: <u>Dawn Morais Webster</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 12:37:55 AM

From: dmoraiswebster@gmail.com <Dawn Morais Webster>

Message:

We cannot speak of work-life balance without providing paid family leave. We cannot talk about addressing the crisis of houselessness if we fail to provide paid family leave. A state run family leave insurance plan would benefit struggling families, help address the needs of our children and kupuna and contribute to the health and wellbeing of the community as a whole. PLEASE MAKE THIS PUBLIC POLICY A REALITY IN HAWAII THIS YEAR. Thank you.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Dawn Morais Webster

From: <u>Hua Zan</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 11:07:26 PM

From: hzan@hawaii.edu <Hua Zan>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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According to the U.S. Department of Labor, Bureau of Labor Statistics, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

SB 2990, SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- Universal coverage all people and employers would participate in the system
- Job Protection if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

Hua Zan

From: <u>Vania Reyes</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 9:51:02 PM

From: mrsvkreyes@gmail.com <Vania Reyes>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Vania Reyes

From: Smh Save Medicaid Hawaii

To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 9:28:58 PM

From: savemedicaidhawaii@gmail.com <Smh Save Medicaid Hawaii >

Message:

Save Medicaid Hawaii supports SB 2990, SD2, HD1 which will add a significant link in Hawaii's social safety net for working families and their children.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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• A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Smh Save Medicaid Hawaii

From: <u>Doris Segal Matsunaga</u>

To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 9:24:56 PM

From: dsegalmatsu@gmail.com <Doris Segal Matsunaga>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Doris Segal Matsunaga

From: <u>Stephanie Austim</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 9:21:47 PM

From: stephandjim@aol.com <Stephanie Austim>

Message:

This is SO important to Hawaii families!

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Stephanie Austim

Haiku

Hawaii

From: <u>Laura Buller</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 9:01:00 PM

From: buller.laura@gmail.com <Laura Buller >

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Laura Buller



March 26, 2018

Representative Sylvia Luke, Chair Representative Ty J.Y. Cullen, Vice Chair House Committee on Finance

Re: S.B. 2990 S.D.2 H.D.1 Relating to Family Leave

Hearing: Wednesday, March 28, 2018, 4:00 p.m., Room 308

Dear Chair Johnson, Vice Chair Holt and Members of the Committee on Labor & Public Employment:

Hawaii Women Lawyers submits testimony in **strong support** of S.B. 2990, S.D.2 H.D.1. This measure ensures a paid family leave special fund and lays the groundwork to implement a paid family leave framework of law and policies so that all employees can access leave benefits during times when they need to provide care for a family member.

The mission of Hawaii Women Lawyers is to improve the lives and careers of women in all aspects of the legal profession, influence the future of the legal profession, and enhance the status of women and promote equal opportunities for all.

This bill is exceptionally important as Hawaii now is expected to have the highest growth rate (over 80 percent by 2030) of the elderly in the United States. Women are predominantly the primary caregivers of infants, children and their elder family members in our society. The time and money required to provide this care can be staggering. Women caregivers are more likely to either leave the workforce completely, or opt to work part-time, than their male counterparts if they must take over primary caregiver responsibility. This further exacerbates the already existing wage discrepancy for women. Paid family leave is a necessary and cost-effective way for caregivers to take leave from work to care for their families without facing significant financial or career implications.

Hawaii Women Lawyers supports this measure because it moves forward a system to support women who are the predominant primary caregivers of infants, children, and their aging parents. Paid family leave is also likely to encourage loyalty for women to remain in their careers. This measure will begin the necessary steps to frame and implement a sound family leave policy to protect and preserve Hawaii families' health and financial stability. For this reason, we respectfully request that the Committee pass S.B. 2990, S.D.2 H.D.1.

Thank you for the opportunity to testify in strong support of this measure.

From: <u>Gigi Kryske</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 7:35:11 PM

From: gigichan.gc@gmail.com <Gigi Kryske>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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According to the U.S. Department of Labor, Bureau of Labor Statistics, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

SB 2990, SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

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- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

Gigi Kryske

From: Ashley Biddle
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 7:21:48 PM

From: ashleymbiddle@gmail.com <Ashley Biddle>

Message:

I was lucky enough that my employer allowed me to work online for 6 months after my baby was born. I couldn't take time off because we needed my income and my job provided baby & me with health insurance. It took me a long time to recover from birth because I was working while baby was sleeping instead of sleeping and letting my body repair. But I was a lucky one- I had a lot of baby experience, my husband was amazing, I had no problems with breastfeeding, I handle sleep deprivation pretty well, and my baby was definitely on the easy end of the spectrum. If I hadn't had all that going for me AND I had to keep up a full teaching load, I think the outcome for my baby and I may not have been as successful.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Ashley Biddle

From: <u>David Negaard</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 6:58:43 PM

From: draagen@gmail.com < David Negaard>

Message:

As a bachelor whose siblings are younger than me and whose mother lives in California, there is little likelihood that I would ever benefit directly from paid family leave, but as a teacher and community member I STRONGLY support this bill and urge its passage. The better we support ALL families in our communities, the healthier and happier our communities. That is enough for me, even absent direct personal benefit. I am delighted to think that some portion of the taxes I pay supports families in need.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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David Negaard

From: <u>Erinn Howland</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 6:37:46 PM

From: howland.erinn@gmail.com <Erinn Howland>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Erinn Howland

From: <u>Lynn Robinson Onderko</u>

To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 6:13:57 PM

From: lynneronderko@gmail.com <Lynn Robinson Onderko>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Lynn Robinson Onderko

From: Rebecca Delafield

To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 5:28:07 PM

From: delafiel@hawaii.exu <Rebecca Delafield>

Message:

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Rebecca Delafield

From: <u>Vickie Kam</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 5:19:41 PM

From: vlpkam@yahoo.com <Vickie Kam>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Vickie Kam

From: <u>James Logue</u>
To: <u>FINTestimony</u>

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 5:17:29 PM

From: jameslogue412@gmail.com <James Logue>

Message:

Please hear the voices of our workers.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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James Logue

From: Younghee Overly
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 4:59:39 PM

From: yoverly@gmail.com <Younghee Overly>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

Currently, Hawaii employees do not have a right to paid medical or family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees. The Hawaii Family Leave Act applies to employers with 100 or more employees and allows for job protection up to four weeks. This is also unpaid leave.

According to the U.S. Department of Labor, Bureau of Labor Statistics, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

SB 2990, SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- Universal coverage all people and employers would participate in the system
- Job Protection if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

Younghee Overly

From: Randy Ching
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 3:58:37 PM

From: makikirandy@yahoo.com <Randy Ching>

Message:

Women are disproportionately affected by family caregiving. Let's help our caregivers -- they hold us all together.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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covered individual may designate a non-relative as family for purposes of caregiving

• A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Randy Ching

Honolulu

Hawaii

From: Kelly Morrow
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Monday, March 26, 2018 3:01:07 PM

From: kelly.morrow@gmail.com <Kelly Morrow>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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- A requirement that the program operate as social insurance

Kelly Morrow

FIN-Jo

From: Tracyn Nagata <ahvqkakiditbdec@ujoin.co>

Sent: Tuesday, March 27, 2018 11:31 AM

To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

From: tsnagata@hawaii.edu <Tracyn Nagata>

Message:

Paid maternity will allow families to proceed with the type of level of care that parents want to give to their children, elderly and loved ones. This means more quality time, less hours commuting in traffic for a lot of our local families and more TIME to provide. I've seen my mom struggle with having to set aside time to take off to care for my grandmother, while deciding to be more present. Since my grandma is still capable of doing things independently and not quite at that point where she needs to receive 24/7 care, my mom gives most of her efforts, time and energy to care for my grandma. She doesn't take vacation in hopes to hold onto her leave as a way to care-give, essentially getting burnt out from work. There is a reason why vacation is in place for people to take some time off to recuperate. If she spends all of her leave caring for my grandma, I can see my mom's health declining. That also means she won't have enough leave to care take for my future children. She risks not being able to be there for both my grandma and for me. Our generation is experiencing this very problem on the daily having to juggle to make ends meet, not being able to retire because of financial reasons, to collect full retirement, but at the same time having to take the necessary time off to provide the right kind of care for their family. We need to take a proactive approach. With a climbing 18% of baby boomers expecting to turn 65 by 2030, we need to do our part to prepare for the future, this will provide a gateway for families to do just that while the current generation within their 20-30's are going to be experiencing taking care of their own kids while care-giving at the same time and having to take leave without pay. Already with the property prices rising in Hawai'i, single family homes on O'ahu hitting a median of \$795,000, it is making it more challenging for families to be able to have the adequate time, finances and resources to provide while maintaining a full-time job, some with multiple jobs, with not enough benefits or pay. This is why I am in full support of Support of SB 2990, SD2, Relating to Family Leave. Thank you for your time. Sincerely, Tracyn Nagata

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

Currently, Hawaii employees do not have a right to paid medical or family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees. The Hawaii Family Leave Act applies to employers with 100 or more employees and allows for job protection up to four weeks. This is also unpaid leave.

According to the U.S. Department of Labor, Bureau of Labor Statistics, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

SB 2990, SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- Universal coverage all people and employers would participate in the system
- Job Protection if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Tracyn Nagata

From: Heather Lusk <grnbubyzgqwghjz@ujoin.co>

Sent: Tuesday, March 27, 2018 2:01 PM

To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

From: hlusk@chowproject.org <Heather Lusk>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Heather Lusk

From: Dominica Faylogna <orzojjxvgjhpcsb@ujoin.co>

Sent: Tuesday, March 27, 2018 2:30 PM

To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

From: faylogna13@gmail.com < Dominica Faylogna>

Message:

My son has Congenital Muscular Dystrophy, he is now 13 and physically disabled. I applied to many agencies and was denied because of our income bracket and he doesn't fit to Developmental Disability for the school. My employer only cover me and not my son for FMLA, will benefit from this FMLA incase we need time off for his medical emergencies.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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SB 2990, SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

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- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Dominica Faylogna

From: Kay Nagata <cwkcdiwdennivml@ujoin.co>

Sent: Tuesday, March 27, 2018 2:45 PM

To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

From: dabuggas2@hotmail.com <Kay Nagata>

Message:

I am in full support of Support of SB 2990, SD2, Relating to Family Leave. One will never know how it feels unless one actually is a care giver of a family member. I struggle everyday emotionally caring for my mom. Just seeing how hard it is for them to do things that we take for granted like walking, talking, going to the bathroom, etc. takes away so much energy from us because we know what they could do before. Then to have to go to work because you can't retire yet can't take care of them because you have to go to work to pay for bills and just to live is crazy! I'm actually surprised that we don't have this paid family leave in this day and age. Having paid leave would only help the situations. Without this, this will only create more expenses for employers because health cost will go up as caregivers are stressed, blood pressure rises, mental health goes down, and in some cases, stroke, heart attacks can occur on caregivers. Then you're left with one less caregiver and one more senior to go to the care homes. We need to do something about it, unless you want this to happen to you or your children.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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SB 2990, SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

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• Progressive Wage Replacement – many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

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- A requirement that the program operate as social insurance

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Kay Nagata

From: Kathleen Gauci <odwzspheeujlvnn@ujoin.co>

Sent: Tuesday, March 27, 2018 2:43 PM

To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

From: kt728@hawaii.edu <Kathleen Gauci>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Kathleen Gauci

From: Elisa Ongosia <ssrtansaozuwyxi@ujoin.co>

Sent: Tuesday, March 27, 2018 3:03 PM

To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

From: eongosia@hawaii.edu <Elisa Ongosia>

Message:

Paid family leave will greatly support families living in Hawai`i. Hawai`i is thrived on the Aloha Spirit and is Ohana oriented. To have this bill passed and implemented means that Hawai`i is modeling the way for other states to follow in support of working families. This will continue to the support on families and also better work environments for employees.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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Elisa Ongosia

From: Judith Armstrong <muapubpbxudabmt@ujoin.co>

Sent: Tuesday, March 27, 2018 3:16 PM

To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

From: jaapfg@twc.com < Judith Armstrong>

Message:

This bill will also benefit Businesses by retaining loyal and trained employees.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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• A requirement that the program operate as social insurance By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Judith Armstrong





Testimony to the House Committee on Finance March 28, 2018 4:00 p.m. State Capitol - Conference Room 308

RE: SB 2990, SD2, HD1 Relating to Family Leave

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

On behalf of the Society for Human Resource Management – Hawaii Chapter ("SHRM Hawaii"), we are writing in <u>opposition</u> to SB 2990, SD2, HD1 relating to family leave, which establishes the Prepaid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations in establishing paid family leave for all workers in the State by January 1, 2020.

SHRM Hawaii has a long-standing position in favor of workplace flexibility initiatives. We believe that proposals to establish paid leave requirements do not promote flexibility and that they have the potential to conflict with federal, state and local requirements and laws.

Human resource management professionals are responsible for the alignment of employees and employers to achieve organizational goals. HR professionals seek to balance the interests of employers and employees with the understanding that the success of each is mutually dependent. SHRM Hawaii represents more than 800 human resource professionals in the State of Hawaii. We look forward to contributing positively to the development of sound public policy and continuing to serve as a resource to the legislature on matters related to labor and employment laws.

Mahalo for the opportunity to testify.







Committee: House Committee on Finance Hearing Date/Time: Tuesday, March 28, 2018, 4 p.m.

Place: Conference Room 308

Re: Testimony of the ACLU of Hawai'i in Support of S.B. 2990, S.D. 2 H.D. 1,

Relating to Family Leave

Dear Chair Luke, Vice Chair Cullen, and Committee Members:

The American Civil Liberties Union of Hawai'i writes in strong support of S.B. 2990, S.D. 2 H.D. 1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

Paid family leave is, first and foremost, about equal opportunity for all, and for that reason, paid family leave is a civil rights issue.

Federal law gives employees of large companies 12 weeks of unpaid leave, but with half of the people in Hawai'i and 59 percent of households with children living paycheck to paycheck, very few people can afford taking days off from work to take care of their loved ones. Instead, workers often must choose between providing essential care to an infant or incapacitated parent and bringing home a paycheck. As Joan Williams has put it, such workers are often "one sick child away from being fired."

In Hawai'i, the most vulnerable workers are low-income earners and hourly workers, who are disproportionately Native Hawaiian and Filipino,³ and who are overwhelmingly women.⁴ Nationally, women provide the majority of unpaid care at home, despite also being the primary breadwinner in 40 percent of families with children. For women, having a child without job security is a gamble that can lead to eviction or bankruptcy. Debt accrued during parental leave can take years to shake, making it even harder to break the cycle of poverty and close the income gap. And the risks are only exacerbated for women of color, who earn almost half for every dollar earned by white men — and who are less likely to receive paid family leave than other workers.

¹ Hawai'i Appleseed Center for Law and Economic Justice, *Struggling to Make Ends Meet* at 2-3 (Mar. 2017), *available at* http://hiappleseed.org/wp-content/uploads/2016/01/EITC-poll-report.pdf.

American Civil Liberties Union of Hawai'i P.O. Box 3410 Honolulu, Hawai'i 96801 T: (808) 522-5900 F: (808) 522-5909 E: office@acluhawaii.org

E: office@acluhawaii.org www.acluhawaii.org

² Joan C. Williams, *One Sick Child Away from Being Fired: When "Opting Out" Is Not an Option*, Work Life Law UC Hastings (2006), available at http://www.worklifelaw.org/pubs/onesickchild.pdf.

⁴ Talk Poverty, *State Year Report*, Hawai'i statistics (2017), *available at* https://talkpoverty.org/state-year-report/hawaii-2017-report/.

S.B. 2990, S.D. 2 H.D. 1 March 28, 2018 Page 2 of 2

S.B. 2990, S.D. 2 H.D. 1, will ensure that people in Hawai'i will no longer have to choose between caring for their loved ones and keeping their jobs. The benefit will have the greatest impact on the state's most vulnerable workers—women of color and low-income workers. We encourage your Committee to uphold the values of fairness and equal opportunity by passing S.B. 2990, S.D. 2 H.D. 1.

Thank you for the opportunity to testify.

Sincerely.

Mateo Caballero Legal Director ACLU of Hawai'i

The mission of the ACLU of Hawai'i is to protect the fundamental freedoms enshrined in the U.S. and State Constitutions. The ACLU of Hawai'i fulfills this through legislative, litigation, and public education programs statewide. The ACLU of Hawai'i is a non-partisan and private non-profit organization that provides its services at no cost to the public and does not accept government funds. The ACLU of Hawai'i has been serving Hawai'i for 50 years.





Before the House Committee on Finance

DATE: March 28, 2018

TIME: 4:00 p.m.

PLACE: Conference Room 308

Re: SB 2990 SD2 HD1 Relating to Family Leave

Testimony of Melissa Pavlicek for NFIB Hawaii

Aloha Chair Luke, Vice Chair Cullen and members of the committee:

We are testifying on behalf of the National Federation of Independent Business (NFIB) in opposition to Senate Bill 2990 SD2 HD1, which establishes the Prepaid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations in establishing paid family leave for all workers in the State by January 1, 2020.

NFIB Hawaii opposes measures which do not adequately allow for flexibility and take into account the circumstances of individual small businesses. Please defer this bill.

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 750 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: Geneva Marshall
To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

Date: Tuesday, March 27, 2018 5:00:40 PM

From: marshall.geneva@gmail.com <Geneva Marshall>

Message:

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

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- Universal coverage all people and employers would participate in the system
- Job Protection if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance

By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Geneva Marshall



COLING PROGRESSIVES DEMANDING ACTION

Aloha Chair Luke, Vice Chair Cullen, and members of the House Finance Committee,

On behalf of the 653 registered members of the Young Progressives Demanding Action – Hawai'i, I would like to express **support** for SB2990 SD2 HD1, which establishes a pathway toward a statewide family leave insurance program—something our working families desperately need to help through this period of economic hardship.

Which is why we must also express extreme disappointment that a bill to establish Family Leave Insurance (FLI) was turned into a bill to establish a board to implement FLI two years down the road, which doesn't even have the number of weeks each worker should receive written in (it should be no less than 16). Hawai'i's working families need this now. They cannot afford to wait for this body to take baby steps on instituting economic justice initiatives. We need FLI, we need a living wage and we need affordable housing yesterday, not by 2020.

Mahalo,

Will Caron Social Justice Action Committee Chair Young Progressives Demanding Action – Hawai'i



COMMITTEE ON FINANCE Rep. Sylvia Luke, Chair Rep. Ty J.K. Cullen, Vice Chair

DATE: Wednesday, March 28, 2018

TIME: 4:00 P.M.

PLACE: Conference Room 308



STRONG SUPPORT FOR SB2990 that would create Family Leave Insurance for the state of Hawaii

Aloha Chair Luke, Vice Chair Cullen and members,

The Coalition is in strong support of this measure. As advocates for women we understand that women are still the primary caregivers for family members from newborns, to sick children, to aging parents.

Caregiving too often places women in the untenable position of having to choose between their job and their family member(s). Since women make on average 80 cents on the dollar compared to men in Hawaii this places an even larger hardship on them.

And although some business lobbyists tend to cry poverty in regards to this program, it would in fact help Hawaii's businesses. Family leave insurance helps increase worker retention and loyalty. Workers who have access to family leave benefits are more likely to return to work after their leave is over. In a 10-year study of the California family leave insurance, businesses reported family leave had either a positive or a neutral effect on their business. Small businesses were **less** likely to report any negative effects.

The Institute for Women's Policy Research, which houses some of the nation's top experts on family leave, conducted an actuarial analysis using a simulation model to study the use and cost of family leave insurance for Hawaii. The study found that the annual cost to cover sixteen weeks of leave for a worker making \$48,000 would be around \$58. **That's only a little over one dollar per week**.

Stated simply, providing paid time off for family caregiving strongly promotes gender equity, a goal greatly desired by the Coalition. Please pass this common sense bill out of committee.

Mahalo for the opportunity to testify,

Ann S. Freed Co-Chair, Hawai`i Women's Coalition Contact: annsfreed@gmail.com Phone: 808-623-5676





DAVID Y. IGE GOVERNOR

Testimony of **Ford Fuchigami**Administrative Director, Office of the Governor

Before the
House Committee on Finance
March 28, 2018
4:00 p.m., Conference Room 308

In consideration of Senate Bill No. 2990 SD2 HD1 RELATING TO FAMILY LEAVE

Chair Luke, Vice-Chair Cullen, and committee members:

Thank you for the opportunity to provide comments in **Strong Support for Senate Bill 2990 SD2 HD1**.

We believe it is indeed time we implement a paid family leave program which will benefit all workers across the state, but find it is particularly important for those workers and their families who are living paycheck to paycheck.

The Governor's Office appreciates the work done to move this important issue forward and supports the approach taken by this bill to stand up the program so it is prepared to begin collecting payments by July 1, 2020 and begin processing payments by July 1, 2022.

We defer specific comments to those submitted by the Department of Labor and Industrial Relations.

Thank you for the opportunity to submit testimony.

SB-2990-HD-1

Submitted on: 3/27/2018 6:59:38 PM

Testimony for FIN on 3/28/2018 4:00:00 PM



Submitted By	Organization	l estifier Position	Present at Hearing
Beth N. Carvin	Individual	Support	No

Comments:

Greetings,

My name is Beth N. Carvin. I am a citizen of Hawaii (for 28 years), a CEO of a small business (for 18 years), an expert on Human Resource Management and a member of the national Society of Human Resource Management (SHRM).

I would like to submit testimony in support of SB2990 SD2 HD1, relating to Paid Family Medical Leave. Every resident of Hawaii understands the "cost of paradise" and that living in Hawaii is expensive relative to most states in the US. While everyone does their best, often working multiple jobs, when "life happens," leave without pay leaves families struggling and unable to care for their children, themselves and their elders.

Companies also struggle when an employee goes out on leave or quits to care for a family leave related situation. SB2990 includes an important provision to provide assitance to companies with less than 50 employees to help pay for the costs associated with hiring a temporary replacement or covering costs associated with continued productivity during the employee's absense.

This bill is a win-win situation for Hawaii residents and for small businesses.

Opposition to Paid Family Medical Leave often comes from the mistaken belief that companies will have to pay the salaries for employees who are out on leave. SB2990 provides for an insurance-style fund for which it has been calculated that each company would only need pay in less than \$100 per employee per year. That's less than the cost of 1 month of parking in downtown Honolulu.

Using the proposed funding methodology, Hawaii can provide for its citizens in times of need, can help protect small businesses from unexpected leave of employees and can do so at a cost that is affordable for all.

It would be a missed opportunity if we do not pass this legislation.

Sincerely,

Beth N. Carvin

Chief Executive Officer

SB-2990-HD-1

Submitted on: 3/28/2018 12:06:16 AM Testimony for FIN on 3/28/2018 4:00:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Carl Bergquist	Individual	Comments	No

Comments:

Hawai'i can do better, a lot better, when it comes to how families are viewed by the state. The lack of affordable day care and the hard cut-off date for kindergarten await those families who decide to have children and mostly did not have any paid family leave whatsover. The spirit of this bill addresses the latter issue, and this is appreciated. It would be strengthened by turning the family leave model into a social insurance one, and by setting a minimum of 26 weeks for paid time off. Being originally from Sweden, I am often asked about that country's family leave and how my family's life would be different there. Before I had children that was all hypothetical, now I look at the incredible amount of time off that my brother and his partner had for their two kids as mythical. But it is true, they had 69 weeks of paid leave, or 480 days in total. To state that this was beneficial to my niece and nephew, their parents and Swedish society would be an understatement. It was an investment rooted in equality. Hawai'i can begin the move in this direction by adopting and amending this bill. Thank you.



To: COMMITTEE ON FINANCE



Hearing Date/Time: Thursday, 3/28/2018 at 4:00pm

Re: TESTIMONY IN SUPPORT OF SB2990 SD2 HD1 - RELATING TO FAMILY LEAVE

Dear Chair Luke, Vice Chair Cullen, and members of the Committee,

I would like to thank you for the opportunity to testify in support of SB2990 SD2 HD1. This bill would establish an implementation task force with a goal to establish a system by 2020 and **we want to ensure strong support for the timely, comprehensive implementation of a program** that provides an adequate amount of leave.

A thorough actuarial study conducted for Hawaii in 2017 as part of a U.S. Dept. of Labor grant calculated usage, cost, and feasibility of the implementation of a family leave insurance program in Hawaii. The data concluded that family leave insurance is both necessary and cost-effective for workers to take off adequate time to care for their families without facing financial ruin **With an optimal 16 weeks of leave**, putting Hawaii at the forefront of the nation, this program would only cost around \$58 per year (\$1.11 per week) to cover a worker making \$48,000 annually.

Benefits to businesses:

Paid family leave policy is a great business investment, as it has been shown to reduce employee turnover, boost morale and increase productivity. Workers who have access to family leave benefits are more likely to return to work after their leave is over, and a study conducted for Hawaii from the Institute for Women's Policy Research determined that the availability of paid leave will not drastically increase the amount of leave taken. The availability of this benefit, however, increases the likelihood that workers who already need this leave will return to their jobs.

Benefits to families:

As more and more states and jurisdictions pass paid leave laws, we want to ensure that Hawaii tracks very closely behind. Our state typically stays ahead of the curve for health status and progressive policies, and Paid Family Leave is one of the single most effective strategies in positively impacting the trajectory of public health. Workers receiving paid leave benefits are also 40% less likely to rely upon other public assistance benefits, such as SNAP and TANF.

Paid parental leave can reduce infant mortality by as much as 10%, according to a 2011 study of 141 countries with paid leave policies. It also increases the likelihood of infants getting well-baby care visits and vaccinations, with one study finding that children were 25.3% and 22.2% more likely to get their measles and polio vaccines, respectively, when their mother had access to paid maternity leave. Without paid leave, there was no increase in immunizations.

Paid parental leave can also reduce incidences of postpartum depression and increase the rate and duration of breastfeeding. A 2011 study in California found that women who had paid leave breastfed twice as long as women who did not take leave. Babies who are breastfed, according to the Centers for Disease Control and Prevention, are less likely to get a variety of infections and are also at lower risk for asthma, obesity and sudden infant death syndrome. There are benefits to mothers, too, as women who breastfeed are less likely to get breast cancer, ovarian cancer, type 2 diabetes and heart disease.

We currently have all of the necessary data to establish paid family leave, and to impede or delay the implementation is a detriment to the families of Hawaii. It is also strongly suggested that the Implementation Board be comprised of individuals with subject matter experience and familiarity with the Hawaii State Paid Family Leave actuarial data.

This policy should, above all, establish a date that the program shall begin disbursing leave benefits and allow for 16 weeks' wage replacement, a flexible and non-burdensome combination of employee and employer contributions, while providing wage replacement insurance for the birth, adoption, or fostering of a child, including leave for caregiving for a family member's serious health condition(s), and/or a service member's qualifying exigency.

Progressive wage replacement for lower-income workers is a critical component to accessing a higher percentage of income in order to afford to take leave. Additionally, there should be an opt-in for the self-employed, and 100% eligibility, so ALL Hawaii workers have access to a program with the most affordable premiums, and is transferable if people change jobs or industries.

We stand in support of SB 2990 SD2 HD1 and respectfully urge your Committee to pass this bill. Thank you for the opportunity to provide testimony.

Sincerely,

Lisa Kimura
Executive Director
Healthy Mothers Healthy Babies Coalition of Hawaii





OFFICE OF THE LIEUTENANT GOVERNOR STATE OF HAWAII STATE CAPITOL HONOLULU, HAWAII 96813

DOUG CHINLIEUTENANT GOVERNOR

TESTIMONY OF THE LIEUTENANT GOVERNOR TO THE HOUSE COMMITTEE ON FINANCE

SENATE BILL NO. 2990, SD2, HD1 Relating to Family Leave.

Aloha Chair Luke, Vice Chair Cullen,

I write in support of Senate Bill 2990, S.D.2, H.D. 1 to chart a path for Hawai'i's future where every 'ohana and every worker will have the opportunity, and the financial security, to take time off from work to care for a loved one. In this measure, the Finance Committee and the Hawai'i Legislature, can affirm and renew our state's commitment to economic justice for working families.

Hawai'i's high cost of living means too many of our working families are just surviving instead of thriving. We see families faced with the heartbreaking choice between taking care of themselves or their loved ones and economic ruin. We can — and we must — do better. Not just for today, but for the next generation of innovators, doctors, and scientists who will benefit from parents having the choice to take time off of work and put their 'ohana first.

Thank you for the opportunity to provide supportive comments on Senate Bill 2990, S.D. 2, H.D.1. I look forward to continuing this fight to give Hawai'i families the economic security they need to succeed.

From: Shelley Waiau <aedzgpbtgejlfvd@ujoin.co> Wednesday, March 28, 2018 4:46 AM Sent:

To: **FINTestimony**

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

From: theycallmemelloshello@yahoo.com <Shelley Waiau >

Message:

We are watching & waiting.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

Currently, Hawaii employees do not have a right to paid medical or family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees. The Hawaii Family Leave Act applies to employers with 100 or more employees and allows for job protection up to four weeks. This is also unpaid leave.

According to the U.S. Department of Labor, Bureau of Labor Statistics, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

SB 2990, SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- Universal coverage all people and employers would participate in the
- Job Protection if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

- A guarantee of sixteen (16) weeks of paid family leave
- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving

• A requirement that the program operate as social insurance By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Shelley Waiau



LARRY JEFTS FARMS, LLC PO BOX 27 KUNIA, HAWAII 96759 (808) 688-2892

SB 2990sd2,hd1, Relating to Family Leave House FIN Committee Wednesday, March 28, 2018 4:00 pm Conference Room 308

Testimony by: Larry Jefts Position: Oppose

Chair Luke, and Members of the House FIN Committee:

I am Larry Jefts, owner and operator of Larry Jefts Farms, LLC, which is part of our family-run business of farms on Oahu and Molokai, under the administrative umbrella of Sugarland Growers, Inc. We have more than 35 years of Hawaii farm experience on Molokai and Oahu.

I understand and appreciate the intent of this bill to allow for paid leave in the workplace and agree that citizens need to balance the needs of both work and family. However, as written this bill sets in statute paid family leave before conducting an actuarial study and leaving the details of the program to be worked out later.

Without policy makers' due diligence, to include analysis of the actuarial study, it is premature to mandate family leave. As we all know, the cost of running a business in Hawaii is extremely high due to the cost of land, water, shipping etc. Additional workplace mandates decreases our Farms' ability to compete with import replacement produce, and our ability to sustain our workforce and competitive benefits.

We need policies that will help Hawaii support those businesses already in existence and attract new businesses, adding more jobs to support families in Hawaii.

Your support in holding this bill is appreciated. Thank you for the opportunity to present testimony



From: Kathleen Stofocik <fmnarryqlityrij@ujoin.co>
Sent: Wednesday, March 28, 2018 11:24 AM

To: FINTestimony

Subject: Testimony in Support of SB2990, SD2, HD1, Relating to Family Leave

From: kstofocik@gmail.com <Kathleen Stofocik>

Message:

Supporting Hawaii's families in difficult and trying times allows for all of Hawaii to prosper because employees don't have to choose between the health of a loved one and going to work. This is commonsense legislation.

I am writing in strong support of SB 2990, SD2, HD1, which would require the Department of Labor and Industrial Relations to establish paid family leave for all workers by 2020, with workers receiving benefits by 2022. The measure would also establish the Paid Family Leave Implementation Board to assist the Department, and would require the Legislative Reference Bureau to conduct a study on the implementation of paid family leave.

Currently, Hawaii employees do not have a right to paid medical or family leave. The federal Family Medical Leave Act (which leaves out 40 percent of the state's workforce) provides for unpaid leave with job protection up to 12 weeks for employers with 50 or more employees. The Hawaii Family Leave Act applies to employers with 100 or more employees and allows for job protection up to four weeks. This is also unpaid leave.

According to the U.S. Department of Labor, Bureau of Labor Statistics, around 13 percent of U.S. workers had access to paid family leave through their employers in 2014. Women are often disproportionately affected. The lack of paid family leave exacerbates the gender wage gap for women and affects the economic stability for both women and men who are caregivers.

SB 2990, SD2 HD1 would help working families by requiring the Department of Labor and Industrial Relations to develop a paid family leave program that would provide:

- Universal coverage all people and employers would participate in the system
- Job Protection if a person is not guaranteed a job upon completion of the leave, they likely will not take the leave
- Progressive Wage Replacement many families live paycheck to paycheck and would never be able to take time off if unpaid or if paid only a small percentage of their usual wages.

To further strengthen this measure, I respectfully request the Committee to amend the bill to add the following:

A guarantee of sixteen (16) weeks of paid family leave

- A broad definition of family, including a process by which a covered individual may designate a non-relative as family for purposes of caregiving
- A requirement that the program operate as social insurance By creating a comprehensive Paid Family Leave Program, all families and the community will benefit.

Kathleen Stofocik



841 Bishop Street, Suite 1620 | Honolulu, Hawaii 96813 Phone: (808) 532-1728 | Fax: (808) 532-1729 | ota-hara.com

Testimony to the House Committee on Finance Wednesday, March 28, 2018; 4 p.m. State Capitol, Room 308



Testimony in **OPPOSITION** to SB 2990 HD1 – Relating to Family Leave

To: Honorable Sylvia Luke, Chair
The Honorable Ty Cullen, Vice-Chair
Members of the Committee

My name is Leighton Hara, and I am testifying on behalf of my firm Ota & Hara, LLLC in **OPPOSITION** to SB 2990 HD1.

Having worked for large, medium, and small law firms, as both an employee and owner, I understand the importance, and associated cost of health care benefits in the workplace. While we appreciate the value of paid leave, we are concerned about the cost, management, and oversight of such a system. Many employers already offer generous paid leave packages to employees. This bill will place an undue hardship upon small businesses. The leave laws already in place are sufficient. The market rewards good employees, and I'm sure that employers would go above and beyond to protect them.

Furthermore, we are concerned about the cost and management the proposed paid family leave special fund. The contribution of money into this fund by employees may have an adverse effect on the cost of running a business in Hawaii.

Thank you for the opportunity to testify.





Testimony of Jim Yates, President of the Hawaii Petroleum Marketers Association

OFFERING COMMENTS ON SENATE BILL 2990, SENATE DRAFT 2, HOUSE DRAFT 1, RELATING TO FAMILY LEAVE

House Committee on Finance The Honorable Sylvia Luke, Chair The Honorable Ty Cullen, Vice Chair

Wednesday, March 27, 2018 at 4:00 p.m. Hawaii State Capitol, Conference Room 308

Chair Luke, Vice Chair Cullen and Members of the Committee,

Thank you for the opportunity to offer comments on Senate Bill 2990, Senate Draft 2, House Draft 1, Relating to Family Leave. I am Jim Yates, President of the Hawaii Petroleum Marketers Association ("HPMA"). HPMA is a non-profit trade association comprised of members who directly market liquid motor fuel products across the Hawaiian Islands.

SB 2990, SD 2, HD 1 establishes the Prepaid Family Leave Implementation Board to assist the Department of Labor and Industrial Relations in establishing paid family leave for all workers in the State by January 1, 2020. The bill further authorizes DLIR to adopt rules, including interim rules; repeals the Board on January 1, 2024; establishes a Paid Family Leave Special Fund and a Prepaid Healthcare Premium Supplementation Special Fund; and appropriates funds.

HPMA is concerned that a comprehensive study on implementing a mandated paid-leave program is not being conducted prior to enacting a statutory measure.

A study should include an actuarial analysis and also explore alternative avenues through which employers may be able to comply with this well-meaning, but far-reaching requirement. Therefore, it seems prudent that the State would want to develop a clear view of the issues and costs of such a program before enacting any statutory measure.

Thank you for this opportunity to present our comments on SB 2990, SD 2, HD 1, Relating to Family Leave.





HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308 WEDNESDAY, MARCH 28, 2018 AT 4:00 P.M.

To The Honorable Sylvia Luke, Chair; The Honorable Ty J.K. Cullen, Vice Chair; and Members of Committee on Finance;

TESTIMONY ON SB2990 RELATING TO FAMILY LEAVE

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce. I am writing share our opposition to SB2990 in its current form for the following reasons:

We appreciate the legislature taking a different approach to family leave with this bill and that you are seeking to understand the impacts to businesses with a study and stakeholder input. We feel that the study should also include an economic analysis with input from businesses across Hawaii of various sizes (particularly small businesses). The study should be completed, reviewed, and shared with the business community, legislature, and public before any further action is taken. We ask that a deadline for the study to be completed and publicized be included in the bill and that the date for the Department of Labor and Industrial Relations (DLIR) to implement interim rules be removed. DLIR testified that they do not feel there is enough time (given the date of 2020 to begin program) nor enough resources to complete this task and we feel the results from the study should be analyzed first to see if creating this family leave program is even feasible.

While we agree with the intent and support needed leaves, at this time, we have to oppose this bill in its current form because we think a study should be completed first.

We appreciate the opportunity to testify on this matter and ask that the bill be amended to only call for an economic study on the impact and feasibility of implementing a family leave program.

Sincerely,

Pamela Tumpap President

Lamela Jumpap

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

<u>SB-2990-HD-1</u> Submitted on: 3/28/2018 7:31:23 PM

Testimony for FIN on 3/28/2018 4:00:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing	
E. Ileina Funakoshi	Individual	Oppose	No	

Comments:

It is a wonderful idea but we must face reality that it will hurt the employer and the employee. Maybe a day a week for a month.