JOSH GREEN LIEUTENANT GOVERNOR



ANNE PERREIRA-EUSTAQUIO DIRECTOR

JOANN A. VIDINHAR DEPUTY

STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS www.labor.hawaii.gov

March 19, 2021

To: The Honorable Brian T. Taniguchi, Chair, The Honorable Les Ihara, Jr, Vice Chair, and Members of the Senate Committee on Labor Culture and the Arts

Date: Friday, March 19, 2021

Time: 3:10 p.m.

- Place: Conference Room 312, State Capitol
- From: Anne Perreira-Eustaquio, Director Department of Labor and Industrial Relations (DLIR)

<u>Re: S.C.R. No. 98 REQUESTING THE DIRECTOR OF LABOR AND INDUSTRIAL</u> <u>RELATIONS TO CONVENE A TASK FORCE TO STUDY, DESIGN, AND DEVELOP A</u> <u>PAID FAMILY LEAVE PILOT PROGRAM</u>

I. OVERVIEW OF PROPOSED LEGISLATION

SCR98 requests the DLIR to convene a task force to study, design, and develop a Paid Family Leave Pilot Program (PFL Pilot Program) with coverage limited to certain employers and employees to be established and implemented by the DLIR as a trial program that could be expanded to cover all public and private sector workers in the State. The task force is to submit a report to the Legislature no later than twenty days prior to the convening of the 2023 Legislature describing the progress made by the task force and its findings and recommendations, including proposed legislation.

The report is to include:

- Data on the amount of leave taken or, if there is no data, the amount of leave deemed generally necessary by health care providers for qualifying reasons that not based on the serious health condition of the employee or the employee's family members;
- Identification of issues related to the establishment and implementation of the PFL Pilot Program;
- Impacts and estimated costs of establishing and implementing the PFL Pilot Program;
- The opportunities and challenges of expanding the PFL Pilot Program to the State's entire workforce; and
- Recommendations for the basic structure of the PFL Pilot Program.

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These recommendations include:

- Coverage of employers such as industry sectors and geographic regions;
- Eligibility criteria for employees, such as a minimum amount of time worked, or earnings achieved;
- Benefit amounts and wage replacement ratio;
- Length of leave including the maximum weeks of leave, for bonding and family caregiving;
- Qualifying events;
- Covered family relationships;
- Whether to provide job protection;
- Interaction with the State's Temporary Disability Insurance (TDI) program; and
- The administrative structure and claims management.

The DLIR offers comments on this resolution.

II. CURRENT LAW

Chapter 398, Hawaii Revised Statutes (HRS), requires employers with one hundred or more employees to provide certain employees with up to four weeks of unpaid job-protected leave when the employee has a qualifying reason such as birth or adoption of a child or to care for a child, spouse, reciprocal beneficiary, sibling, grandchild, or parent with a serious health condition.

Chapter 392, HRS, requires employers to provide wage replacement, known as Temporary Disability Insurance, to qualifying employees who are unable to work due to the employee's illness or injury that is not related to work.

III. COMMENTS ON THE HOUSE CONCURRENT RESOLUTION

The Legislature has considered various bills related to paid family leave over numerous sessions and has received testimonies from parties that feel strongly whether paid family leave should be required, the program parameters, and the best format for the program. The DLIR recognizes these competing and divergent interests the members of the taskforce represent will severely impede progress that can be made towards establishing the PFL Pilot Program.

The DLIR therefore recommends the Resolution identify the goal and objectives of the PFL Pilot Program. Objectives that identify the targeted population, the level of economic security to be provided, and the length of time the population is to be supported will allow the Task Force to move past the contentious issues and interests its members bring to the table, and will allow them to identify and report on the impacts, costs, issues, opportunities, and challenges related to the implementation and possible expansion of the particular program being proposed by the Legislature. To carry out the provisions of this resolution, the DLIR will require the following dedicated personnel and funds (\$304,736) to support the Task Force:

- A Chairperson (EM-8, \$111,072 \$184,908) to serve as the chairperson;
- A Temporary Disability Insurance Specialist (SR-24, \$62,136) and a Labor Law Enforcement Specialist (SR-24, \$62,136) to provide program support; and
- Two clerical support staff (SR-10, \$70,392) to provide clerical support.



Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: Senate Committee on Labor, Culture and the Arts

Re: SCR 98 – Requesting the Director of Labor and Industrial Relations to convene a task force on paid family leave Hawai'i State Capitol, Room 225 March 19, 2021, 3:10 PM

Dear Chair Taniguchi, Vice Chair Ihara, and committee members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in SUPPORT of SCR 98. This resolution requests the Director of Labor and Industrial Relations to convene a task force to study, design, and develop a paid family leave pilot program.

The United States is the only OECD nation that does not provide paid family leave for its working population.¹ To fill that gap, in just the last five years, six states and the District of Columbia have passed paid family leave laws.² While we would prefer that Hawai'i join them and also pass a paid family leave law, this resolution represents progress towards that goal.

This resolution refers to the Legislative Reference Bureau's 2019 *Paid Family Leave Program Impact Study*, specifies the membership of the task force, sets a deadline to issue a report, and requests that the task force's report include information such as the amount of leave generally taken, recommendations for the structure of the pilot program, estimated costs, and proposed legislation.

Please note that in late 2017, a comprehensive *Hawai'i State Paid Family Leave Analysis Grant Report*³ was **published that already answers most of the questions that the task force would be asked to consider**. This report was funded by a grant issued to the Hawai'i State Commission on the Status of Women by the U.S. Department of Labor's Women's Bureau. Hawai'i Children's Action Network helped issue the report as well.

The 2017 report includes detailed Hawai'i-specific usage, cost, and administration analyses by national paid family leave experts. In fact, one of the experts spent several weeks in Hawai'i in 2017, visiting state department offices to examine our computer systems and determine the best way to administer such a program in Hawai'i.

Not surprisingly, the 2017 report and some of its authors' other paid family leave research are cited in the 2019 LRB study. We recommend that the legislature and task force also draw upon the Hawai'i-specific data and analysis in the impressive 2017 report, as you move towards developing a paid family leave program in Hawai'i.

Thank you,

Nicole Woo, Director of Research and Economic Policy

³ <u>https://www.capitol.hawaii.gov/CommitteeFiles/senate/LBR/LBRfiles/DOL_Hawaii-State-Paid-Family-Leave-Analysis-</u> <u>Grant-Report.pdf</u>

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¹ <u>https://www.pewresearch.org/fact-tank/2019/12/16/u-s-lacks-mandated-paid-parental-leave/</u>

 ² <u>https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/state-paid-family-leave-laws.pdf</u>
³ <u>https://www.capitol.hawaii.gov/CommitteeFiles/senate/LBR/LBRfiles/DOL</u> Hawaii-State-Paid-Family-Leave-Analysis-



Testimony to the Senate Committee on Labor, Culture and the Arts Friday, March 19, 2021 at 3:10 P.M. Written Testimony

RE: SCR 98, REQUESTING THE DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS TO CONVENE A TASK FORCE TO STUDY, DESIGN, AND DEVELOP A PAID FAMILY LEAVE PILOT PROGRAM.

Chair Taniguchi, Vice-Chair Ihara, Jr., and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") offers comments on SCR 98.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 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.

The impact study ¹on paid family leave released in November 2019 and revised in December 2019 brought to light concerns on what exactly a possible paid family leave program in Hawaii would look like and cost. As abbreviated in HCR 104 and HR 86, establishing a program is estimated to reflect "start-up" costs for only the administrative system.

However, it lacks estimated costs that would be imposed on employers and businesses, depending on which model the state adopts. The "start-up" costs do not reflect the actual benefits and the primary driver of differences between state modeled claims cost funding levels is the maximum number of weeks of benefit under each state program which could run into tens of millions of dollars on the backs of businesses and employers.

Finally, it is also important to note that many businesses offer paid leave programs as a means for attracting and retaining their workforce. We need policies that will help Hawaii bring new businesses and support those in existence by encouraging businesses to adopt their own innovative paid leave programs.

Thank you for the opportunity to offer testimony.

¹ <u>https://lrb.hawaii.gov/wp-content/uploads/2019</u> PaidFamilyLeaveProgramImpactStudy.pdf



Senate Committee on Labor, Culture and the Arts

Senator Brian T. Taniguchi, Chair Senator Les Ihara, Jr., Vice Chair Friday, March 19, 2021 at 3:10 P.M. Written Testimony

RE: SCR 98, REQUESTING THE DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS TO CONVENE A TASK FORCE TO STUDY, DESIGN, AND DEVELOP A PAID FAMILY LEAVE PILOT PROGRAM.

Chair Taniguchi, Vice Chair Ihara, Jr., and Members of the Committee:

The Society for Human Resource Management (SHRM) Hawaii offers comments with suggested amendments on SCR 98.

SHRM Hawaii serves and represents nearly 600 members and employers' statewide and human resource management is a critical component to the success and survival of the many businesses that make up our local economy. HR professionals are responsible for evaluating and balancing the needs of both the employers and employees and caring for businesses' most valuable asset: the working people of our state.

SHRM Hawaii respectfully requests a representative from employee/employer organizations such as the Society of Human Resource Management Hawaii. A representative of an employee/employer organization would offer valuable insights into human resource compliance, internal systems, and processes to help shape the objectives and goals of the resolution.

Thank you for the opportunity to offer testimony.

Kalani Morse Legislative Affairs Committee Co-Chair Dailyn Yanagida Legislative Affairs Committee Co-Chair



<u>SCR-98</u> Submitted on: 3/16/2021 6:40:01 PM Testimony for LCA on 3/19/2021 3:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Younghi Overly	Testifying for AAUW of Hawaii	Support	No

Comments:

Members of AAUW of Hawaii appreciate this opportunity to testify in support of SCR98 which would ask the Director of Labor and Industrial Relations to convene a task force to study, design, and develop a paid family leave pilot program.

Mahalo to Chair Taniguchi for introducing this resolution, for including community advocacy organizations in the task force, and AAUW of Hawaii recommends that Hawaii Women's Coalition and Hawaii Children's Action Network be included in the task force. The Hawai`i Women's Coalition is a catalyst for progressive, social, economic and political change through action on critical issues facing Hawaii's women and girls. Membership currently include 29 organizations and agencies (private, public, membership) as well as individuals. Hawaii Children's Action Network (HCAN) is a 501(c)(3) nonprofit and the only one in the state of Hawaii solely committed to advocating for children.

According to Aloha United Way, more than half of Hawaii households are struggling to afford basic needs. If these families can barely make ends meet while working full-time, there is no way they could survive without pay. Without paid family leave, many workers will be forced to decide between taking care of a sick keiki or kupuna or livelihood. AAUW works toward greater availability of and access to a high standard of benefits and policies that promote work-life balance including family leave. Without these policies, balancing the responsibilities of work and family can be difficult for employees, negatively impacting productivity, engagement, and wellness. Mahalo again for starting us on the path of paid family leave.

The American Association of University Women (AAUW) of Hawaii is a state-wide organization made up of six branches (Hilo, Honolulu, Kauai, Kona, Maui, and Windward Oahu), and over 3800 members and supporters statewide. As advocates for gender equity, AAUW of Hawaii promotes the economic, social, and physical well-being of all persons.

Younghee Overly, Public Policy Chair, AAUW of Hawaii

<u>SCR-98</u> Submitted on: 3/16/2021 3:16:14 PM

Testimony for LCA on 3/19/2021 3:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Laurie Field	Testifying for Planned Parenthood Votes Northwest and Hawaii	Support	No

Comments:

Planned Parenthood Votes Northwest and Hawaii supports SCR 98. Thank you!



March 1**7**, 2021

TO: Chair Taniguchi and members of LCA Committee

RE: SCR 98 REQUESTING THE DIRECTOR OF LABOR AND INDUSTRIAL RELATIONS TO CONVENE A TASK FORCE ON PAID FAMILY LEAVE

Support for hearing on March 19

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 SCR 98 as we support Paid Family Leave Insurance.

In 2017 working families on the national level lost \$20.6 billion in wages due to the lack of paid family leave; on the state level, they lost approximately \$2 billion in 2011 when caring for loved ones. These statistics show that lack of paid leave clearly has a negative effect on families and has the potential to force workers, especially those with low incomes, to choose between financial stability and care-giving duties.

Family leave for mothers pays multiple dividends. In a California study, women who took paid family leave were more likely to initiate breastfeeding and continue breastfeeding for longer periods of time than those who did not take paid family leave. Taking the leave decreases the risk of health problems for babies, which includes asthma, diabetes, eczema, and Sudden Infant Death Syndrome. It also decreases a mother's chance at developing breast and ovarian cancer, diabetes, and hypertension after childbirth. Moreover, mothers in a New York survey were more likely to report experiencing depression in the year following the birth of their child if they took less than six weeks of leave and were more likely to report experiencing poor health if they took less than four weeks of leave . It is a testimony to the maternal benefits of paid family leave that women who take paid leave for bonding purposes are 40% less likely to use food stamps than women who return directly to work after

Family leave is important for fathers. As seen in studies from states already providing Paid Family Leave Insurance, a lack of paid leave discourages men, especially fathers, from taking time off to care for family members. Thus, the responsibility of care-giving falls heavily upon women: on a national level, women make up approximately 75% of informal caregivers. Only 22% of women have employers offering paid maternity leave. Some mothers in the state of Hawaii may receive temporary disability insurance after giving birth, but this program solely covers the time needed to recover from complications from childbirth. It also fails to cover families adopting an infant.

We hope the Task Force will look at the studies and advance a program of Paid Family Leave Insurance.

Thank you for your favorable consideration.

Sincerely, John Bickel, President HAWAII GOVERNMENT EMPLOYEES ASSOCIATION AFSCME Local 152, AFL-CIO



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

The Thirty-First Legislature, State of Hawaii The Senate Committee on Labor, Culture and the Arts

Testimony by Hawaii Government Employees Association

March 18, 2021

<u>S.C.R. 98 – REQUESTING THE DIRECTOR OF LABOR</u> AND INDUSTRIAL RELATIONS TO CONVENE A TASK FORCE TO STUDY, DESIGN, AND DEVELOP A PAID FAMILY LEAVE PILOT PROGRAM

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly supports the purpose and intent of S.C.R. 98 which requests the Director of the Department of Labor and Industrial Relations to convene a task force to study, design, and develop a paid family leave pilot program. We appreciate the inclusion of two representatives from public sector labor organizations to the task force.

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. Across the country, nine states and the District of Columbia have enacted paid family and medical leave laws, yet no two paid family leave models are identical. We must collectively consider Hawai`i's existing benefit structures and systems to best formulate a plan that is unique to our state. Although the Legislative Reference Bureau issued a Paid Family Leave Program Impact Study in December 2019, it was limited to providing estimated costs and staffing requirements and did not address a variety of policy issues including benefit amounts and wage replacement ratios, appropriate length of leave, and eligibility. The creation of a Task Force is a steadfast solution that ensures all of the stakeholders have a seat at the table to consider programmatic intricacies and launch a pilot program for a paid family leave program that could be expanded to cover all public and private sector workers in Hawai`i.

Thank you for the opportunity to testify in strong support of S.C.R. 98.

Respectfully submitted,

Randy Perreira Executive Director



HIPHI Board

Kilikina Mahi, MBA Chair KM Consulting LLC

Michael Robinson, MBA, MA Immediate Past Chair Hawai'i Pacific Health

JoAnn Tsark, MPH Secretary John A. Burns School of Medicine, Native Hawaiian Research Office

Debbie Erskine Treasurer Kamehameha Schools

Keshia Adolpho, LCSW Molokai Community Health Center

Keawe'aimoku Kaholokula, PhD John A. Burns School of Medicine, Department of Native Hawaiian Health

Mark Levin, JD William S. Richardson School of Law

Rachel Novotny, PhD, RDN, LD University of Hawai'i at Mānoa, College of Tropical Agriculture and Human Resources

May Okihiro, MD, MS John A. Burns School of Medicine, Department of Pediatrics

Misty Pacheco, DrPH University of Hawai'i at Hilo, Department of Kinesiology and Exercise Sciences

Garret Sugai Kaiser Permanente To: Senator Brian T. Taniguchi, Chair Senator Les Ihara, Jr., Vice Chair Members of the Senate Committee on Labor, Culture and the Arts

Re: Support for SCR 98, Requesting the Director of Labor and Industrial Relations to Convene a Task Force to Study, Design, and Develop a Paid Family Leave Pilot Program.

Hrg: February 19, 2021 at 3:10 PM via videoconference

The Obesity Prevention Task Force, convened by the Hawai'i Public Health Institute, ⁱ is in **Support of SCR 98**, which requests the Director of the Department of Labor and Industrial Relations (DLIR) to convene a task force to study, design, and develop a paid family leave pilot program.

We appreciate the intent of the resolution, but it is time for Hawai'i to pass a strong family leave insurance program. In Hawai'i, working families cannot afford to take unpaid leave to cover their caretaking needs. Paid family leave will offer both economic stability and job security if an employee needs to take family leave, whether it be to care for a newborn, newly adopted or foster child, or an ill family member. Nine states and Washington, D.C. have passed similar legislation providing partial wage replacement for family and medical leave purposes.

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 obesityⁱⁱ. 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 ageⁱⁱⁱ.

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

Thank you for the opportunity to provide testimony.

Mahalo,

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Jessica Yamauchi, MA Executive Director

ⁱⁱ 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).

ⁱⁱⁱ American Academy of Pediatrics, AAP Reaffirms Breastfeeding Guidelines, https://www.aap.org/en-us/about-theaap/aap-press-room/pages/AAP-Reaffirms-Breastfeeding-Guidelines.aspx (last updated February 27, 2012).

^{iv} http://www.nccp.org/publications/pdf/text_1059.pdf

ⁱ Created by the legislature in 2012, the Obesity Prevention Task Force is comprised of over 60 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.

Hawai'i Public Health Institute is a hub for building healthy communities, providing issue-based advocacy, education, and technical assistance through partnerships with government, academia, foundations, business, and community-based organizations.

<u>SCR-98</u> Submitted on: 3/18/2021 1:49:43 PM Testimony for LCA on 3/19/2021 3:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Bilyk	Testifying for Breastfeeding Hawaii	Support	No

Comments:

BREASTFEEDING HAWAII

PO Box 427 Kaneohe Hawaii 96744

www.breastfeedinghawaii.org

TO: Senator Taniguchi, Chair and Members of the Senate Committee on Labor, Culture and the

Arts

RE: SCR 98 Requesting the Director of Labor and Industrial Relations to Convene a Task Force to Study, Design and Develop a Paid Family Leave Pilot Program

Date: March 19, 2021 3:10pm

I am Patricia Bilyk, an APRN and Board Member with Breastfeeding Hawaii. I am representing Breastfeeding Hawaii today with this testimony.

Breastfeeding Hawaii is a non profit 501c3 organization that promotes, protects and supports breastfeeding in the State of Hawaii.

Breastfeeding Hawaii STRONGLY SUPPORTS SCR 98 and the work of the Task Force to complete the Paid Family Leave Pilot Program Design by the next Legislative Session in 2022! We know there is already MUCH information available from other States, cities and the Federal Government plus 2 excellent reports relevant to Hawaii State employer/employee needs that could be very valuable in the Program Development.

We look forward to participating with those in our Women's Advocacy Organization and the Working Family Coalition to help develop this much needed Program!

Thank you for putting forth this Resolution which continues the important conversation of creating a Paid Family Leave Pilot Program in our State. We strongly encourage this Committee to pass this Resolution out of Committee.

Patricia L Bilyk, RN, MPH, MSN, IBCLC (Retired)

<u>SCR-98</u> Submitted on: 3/19/2021 4:24:31 AM Testimony for LCA on 3/19/2021 3:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nikki-Ann Yee	Testifying for Ma'i Movement Hawai'i	Support	No

Comments:

Ma'i Movement Hawai'i supports the intent of SCR 98.