

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

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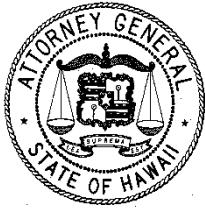
Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS
Tuesday, January 31, 2023
9:00 AM
VIA VIDEOCONFERENCE

In consideration of
HB491
RELATING TO A LEAVE GRANT PROGRAM.

Chair Matayoshi, Vice Chair Garrett, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) offers the following comments to HB491 which establishes in DBEDT a leave grant program to help small businesses:

- The grant program should be a reimbursable grant program to ensure that state funds are spent on its intended and authorized purposes;
- Grant recipients must be compliant with Hawaii Compliance Express;
- Funding for the program should also allow for DBEDT administrative expenses; and
- It should also be noted that DBEDT is not a regulatory agency and therefore has no means of enforcement should funds be misused or misspent.

Thank you for the opportunity to testify.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:

H.B. NO. 491, RELATING TO A LEAVE GRANT PROGRAM.

BEFORE THE:

HOUSE COMMITTEE ON LABOR AND GOVERNMENT OPERATIONS

DATE: Tuesday, January 31, 2023 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 309

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Elise A. Amemiya or Bryan C. Yee, Deputy Attorneys General

Chair Matayoshi and Members of the Committee:

The Department of the Attorney General provides the following comments regarding this bill.

This bill would establish and appropriate moneys for a paid leave grant program to help small businesses offer employees paid family leave and sick leave. The bill creates a grant program within the Department of Business, Economic Development, and Tourism that would be subject to article VII, section 4, of the Constitution of the State of Hawaii.

Article VII, section 4, of the Constitution of the State of Hawaii provides, "[n]o grant of public money or property shall be made except pursuant to standards provided by law." This bill does not appear to contain sufficient standards for grants of public money. Therefore, we recommend that this bill be amended to insert appropriate standards. Examples of existing statutes that provide standards for agencies to issue grants are part II of chapter 9 and sections 10-17, 210D-11, and 383-128, Hawaii Revised Statutes.

Our office is available to work with the Department of Business, Economic Development, and Tourism and the Legislature to develop appropriate standards to include in the bill.

Thank you for the opportunity to present this testimony.

January 31, 2023

To: Representative Scot Z. Matayoshi; Chair
Representative Andrew Takuya Garrett; Vice Chair
House Committee on Labor & Government Operations

From: Jordana Ferreira
Constituent of District 39

Re: **H.B. No. 491 – Relating to a leave Grant Program**
Establishes with DBEDT a leave grant program to help small businesses offer their employees paid family leave and sick leave. Appropriates monies.

On: Tuesday, January 31, 2023 at 9:00 AM

I support the passage of H.B. No. 491, which would establish a leave grant program to help small businesses offer their employees paid family leave and sick leave.

Paid family leave contributes to better health outcomes such as improving maternal and paternal health, supporting health development for young children, and reducing financial stress and enhancing working families' overall economic security. With the substantial rising cost of living in Hawaii, paid family leave would provide significant relief to the very residents you have been elected to serve.

Despite the benefits of paid family leave being well document, research demonstrates that only seventeen percent of workers in the U.S. have access to paid family leave through employees. Although there are cost-efficient ways to implement paid family leave benefits, offering this benefit may impose increased financial costs to businesses, particularly small businesses.

Establishing this program and allocating adequate appropriations may be the catalyst that can help small businesses offer these benefits to employees and to offset additional associated costs with PFL, helping to alleviate the stress and financial burdens that were further exacerbated from the COVID-19 pandemic for both businesses and employees in Hawaii.

I would encourage the committee to consider adding language in the bill that would do the following:

1. Differentiate the grant award amount based on size of the business. For example, a business with less than 10 employees could receive \$2000 whereas a business with more than 10 employees could receive up to \$1000 per employee;
2. Clarify that grant monies can be used for an array of costs related to the usage of paid family leave, including training and upskilling existing staff to cover duties of an employee using PFL; hiring additional staff; or recruitment and retention reasons;
3. Prioritize grant awards to businesses that already implement a paid family leave benefit; and
4. Businesses report intended use of the funds as part of their report to DBEDT.

Mahalo for the opportunity to submit testimony in support of this bill.

HB-491

Submitted on: 1/30/2023 6:56:03 PM

Testimony for LGO on 1/31/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kayla Doherty	Individual	Support	Written Testimony Only

Comments:

Often times the largest expense of any small business is personnel costs. I support HB491 and the appropriateion of moneys to support small businesses in offering paid family and sick leave. Supporting small business is supporting local!