



**House Committee on Finance
February 26, 2026 at 10:00 AM
Room 308**

Testimony in SUPPORT of HB2360 HD1

Aloha Chair Todd, Vice Chair Takenouchi, and members of the Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I would like to offer our comments in **support of HB2360 HD1**, which would establish a statewide paid family and medical leave program, providing essential support to workers while ensuring that businesses, including nonprofits, have the stability needed to thrive.

The Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits that works to strengthen and unite the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Since 2006, HANO has been a leading voice for the nonprofit sector, leveraging resources, educating and advocating for policies and practices that promote the professionalism, sustainability, and effectiveness of nonprofits and the communities they serve.

Nonprofit organizations in Hawai'i employ approximately 12% of the state's total workforce,¹ supporting workers who are deeply committed to public service and community care. HB2360 would strengthen the sector's workforce pipeline by ensuring that employees can take time off to care for a new child, a sick loved one, or their own health without facing financial hardship. HANO believes that paid family and medical leave would assist nonprofits in attracting and retaining talented staff and prevent looming workforce shortages that could impact essential community services.

HB2360 includes provisions intended to account for differences in employer size and capacity, which is particularly important for smaller nonprofit organizations operating with limited budgets and administrative infrastructure. As the program design continues to be refined, it will be important to ensure that implementation minimizes administrative burden, remains financially feasible for smaller employers, and supports the needs of nonprofit workers.

We urge the committee to advance HB2360 and support the continued development of a statewide paid family and medical leave program that strengthens Hawai'i's workforce while recognizing the diversity of employers that make up our economy.

Mahalo for the opportunity to testify.

¹ Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Nonprofits accounted for 12.8 million jobs, 9.9 percent of private-sector employment, in 2022 at <https://www.bls.gov/opub/ted/2024/nonprofits-accounted-for-12-8-million-jobs-9-9-percent-of-private-sector-employment-in-2022.htm> (visited February 3, 2026).

**Testimony to the House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair**

**Thursday, February 26, 2026, at 10:00AM
Conference Room 308 & Videoconference**

RE: HB2360 HD1 Relating to Paid Family Leave

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber offers comments on House Bill 2360 House Draft 1 (HB2360 HD1), which would establish a new Paid Family and Medical Leave Insurance Program administered by the Department of Labor and Industrial Relations (DLIR), begin collecting payroll contributions by January 1, 2029, and begin receiving claims and paying benefits by January 1, 2030. The measure establishes eligibility requirements, wage replacement benefit levels, job protection provisions, benefit coordination rules, and a new Family and Medical Leave Trust Fund, including a proposed general fund loan for start-up costs.

The Chamber appreciates the intent of strengthening Hawaii's workforce and supporting employees as they navigate major life events. However, we have serious concerns regarding the timing, cost exposure, and administrative complexity of implementing a statewide paid leave mandate before the actuarial study is completed.

In 2025, the Legislature established the Paid Family Leave Working Group through Senate Concurrent Resolution 145 (SCR 145) to develop recommendations for establishing and implementing a statewide paid family and medical leave program. The Chamber was a member of this Working Group and actively participated in its discussions. A central component of the Working Group's deliberations was the need for a formal actuarial study to evaluate projected program costs, anticipated utilization rates, contribution requirements, and long-term trust fund solvency before advancing statutory implementation.

HB2360 HD1 advances significant financial and operational mandates before those actuarial findings are available. The measure authorizes payroll contributions in amounts "to be determined by the department" and imposes differentiated obligations by employer size, including requiring employers with thirty or more employees to remit the full employer share of contributions. Without actuarial validation and a defined contribution rate, employers cannot reliably anticipate costs or plan for compliance. In addition, the measure's job protection and continued benefits requirements may increase operational strain for businesses already navigating workforce shortages and backfilling

challenges—particularly small employers with limited staffing flexibility.

The measure also includes significant benefit durations, up to twelve weeks for family leave and up to twenty-six weeks for medical leave, and wage replacement formulas tied to the state average weekly wage. These are substantial policy decisions that should be aligned with actuarial projections to ensure program sustainability and reasonable contribution rates for both employers and employees.

Hawaii already has a comprehensive mandated benefits environment, including Temporary Disability Insurance and paid sick leave requirements. The Chamber recommends that the Working Group’s actuarial findings and policy recommendations be used to clarify interactions with existing systems, avoid duplicative burdens, and ensure smooth, fiscally responsible implementation.

For these reasons, the Chamber respectfully asks that the Committee defer House Bill 2360 House Draft 1. Thank you for the opportunity testify.

The Chamber of Commerce Hawaii is the state’s leading business advocacy organization, dedicated to improving Hawaii’s economy and securing Hawaii’s future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
THURSDAY, FEBRUARY 26, 2026 AT 10:00 A.M.**

To The Honorable Representative Chris Todd, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

OPPOSE HB2360 HD1 RELATING TO PAID FAMILY LEAVE

The Maui Chamber of Commerce recognizes the importance of supporting employees during times of family or medical need but has significant concerns regarding HB2360's proposal to establish a state-administered family and medical leave insurance program funded by mandatory payroll contributions. This bill is of particular importance to businesses of all sizes, but especially small businesses, as it would introduce new regulatory and financial obligations at a time when many are still recovering from recent economic pressures and disruptions.

Mandating a statewide paid family and medical leave insurance program would increase the administrative complexity and cost burden on employers. Many businesses already offer paid leave or flexible benefits tailored to their workforce as a recruitment and retention tool. Imposing a uniform state requirement may undermine these voluntary approaches and reduce employers' ability to design benefits that fit their unique operational needs. For small businesses, the additional payroll contributions and compliance requirements could be particularly challenging, potentially impacting their ability to maintain staffing levels or remain competitive.

The bill's approach of requiring all employers to participate, regardless of size (but with different contribution rates per size), risks disproportionately affecting the smallest firms, which often lack the administrative resources of larger organizations. These businesses are already navigating increased costs from minimum wage hikes, rising insurance premiums, and broader economic uncertainty. Adding a new payroll-based mandate at this time could discourage



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

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hiring, reduce available jobs, or even contribute to business closures; outcomes that would harm both employers and employees.

Further, we understand the Paid Family Leave Working Group (established by SCR145) requested an actuarial study to evaluate the costs, utilization rates, contribution requirements, and more before advancing any legislation. We strongly believe this request should be honored and a study needs to be completed to best evaluate the data to determine the pros and cons of establishing paid family leave.

We respectfully recommend that the Legislature consider alternative strategies, such as incentivizing voluntary adoption of paid leave policies through tax credits or providing targeted support for small businesses that wish to expand their benefits.

Mahalo for the opportunity to testify. We ask that you do not move this bill forward at this time.

Sincerely,

Pamela Tumpap
President

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.

HB-2360-HD-1

Submitted on: 2/24/2026 9:28:12 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Emma Waters	Individual	Support	Written Testimony Only

Comments:

Writing in strong support of this important bill. Mahalo!



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TESTIMONY TO THE HAWAI'I HOUSE COMMITTEE ON FINANCE

Item: HB 2360, HD1 – Relating to Paid Family Leave

Position: Support

Hearing: Thursday, February 26, 2026, 10:00 am, Room 308

Submitter: Osa Tui, Jr., President - Hawai'i State Teachers Association

Dear Chair Todd, Vice Chair Takenouchi, and members of the committee,

The Hawai'i State Teachers Association (HSTA) **supports** H.B. 2360, HD1, which establishes a family and medical leave insurance program to ensure all workers can care for themselves and their families during critical times without facing financial difficulty. By providing a structured wage replacement system, this bill offers a vital safety net for our educators and the broader community.

We specifically appreciate the elective coverage option for public employees. Under this measure, public sector workers may choose to opt into the program for an initial period of at least three years. Furthermore, the bill ensures that employees and employers who do not elect coverage are not required to pay into the fund, maintaining individual choice and flexibility.

We also appreciate that the bill provides up to 12 weeks of family leave and 26 weeks of medical leave insurance benefits per benefit year. This program covers essential needs, including caring for a new child, supporting family members with serious health conditions, and assisting victims of domestic abuse or sexual assault. Such comprehensive coverage is fundamental to the well-being of our workforce.

H.B. 2360, HD1 also guarantees critical job protections, ensuring workers are restored to their original or an equivalent position upon returning from leave. Additionally, the act strictly prohibits retaliatory personnel actions against anyone exercising their right to these benefits. We respectfully urge the committee to pass this measure.

Mahalo.

HB-2360-HD-1

Submitted on: 2/24/2026 10:16:50 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia Bilyk	Individual	Support	Written Testimony Only

Comments:

TO: Rep Chris Todd, Chair, Rep Jenna Takenouchi, Vice Chair and Members of the House Finance Committee

FROM: Patricia Bilyk, RN, MPH, MSN

RE: HB 2360 HD1 Paid Family Leave

DATE: Thursday, February 26, 2026 10am

I strongly support HB 2360 HD1 Paid Family Leave and the funding to create such a Program for the State of Hawai'i workers!

Hawai'i's families deserve policies that put our 'Ohana first, hence the importance of passing and funding HB 2360 HD1!

As an Advanced Practice Registered Nurse in Maternal Child Nursing and Public Health, I've cared for families needing personal family time with their new, adopted and premature infants. They also needed job security and wage replacement. These last concerns would determine how long a mom or dad could be with their infant during this extremely vulnerable developmental time for families.

I strong encourage this Committee to pass and fund HB 2360 for the families! It is Pono and the time to put our Hawai'i Families FIRST and fund the creation of a Paid Family Leave Program in Hawai'i.

Mahalo for hearing this bill!



Date: February 26, 2026

To: Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

From: Early Childhood Action Strategy

Re: House Bill 2360 HD1, Relating to Paid Family Leave

Early Childhood Action Strategy (ECAS) is a statewide cross-sector collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners work to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki.

ECAS supports House Bill 2360 HD1, which would establish a family and medical leave insurance program and begin collecting payroll contributions to finance the payment of benefits.

Paid family and medical leave provides working 'ohana with paid time off from work to care for and bond with a new keiki or to address caregiving needs for loved ones. Paid family and medical leave also supports workers in balancing work and family responsibilities by allowing workers to take time off without sacrificing their income.

Working families don't get to choose when or how medical needs happen—but they need to preserve their incomes and work stability when issues arise. The average income household of \$62,000/year would contribute only about \$4/week in payroll deductions to PFML and would be able to receive over \$900/week in benefits when eligible. Our economy can be stronger if we support workers through programs that help them obtain and stay at their jobs while being able to care for themselves and their families.

Here in Hawai'i, where many 'ohana are living paycheck to paycheck, it is critical that our state provide such support for our communities so that 'ohana are able to thrive and not just survive.

For this reason, ECAS supports HB2360 HD1.

Thank you for this opportunity to provide this testimony.



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**HOUSE OF REPRESENTATIVES
THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2026**

COMMITTEE ON FINANCE
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

Thursday, February 26, 2026, 10:00 AM
Conference Room 308 & Videoconference

Re: Testimony on HB2360, HD1 – RELATING TO PAID FAMILY LEAVE

Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW supports HB2360, HD1, which by 1/1/2029, requires the Department of Labor and Industrial Relations (“DLIR”) to establish a family and medical leave insurance program and begin collecting payroll contributions to finance payment of benefits. Additionally, this measure specifies that by 1/1/2030, DLIR is required to begin receiving claims and paying benefits under the program. This bill further specifies eligibility requirements and employee protections under the program and excludes paid family and medical leave benefits from income tax.

Given that Hawaii’s public employees are currently saddled with substantial payroll deductions for health plans offered by the Employer-Union Health Trust Fund as well as mandatory contributions to the Employees’ Retirement System, we have opposed similar measures in recent years. However, given that this bill excludes public employees but allows them to opt-in, we feel that our greatest concerns have been addressed. As a result, UPW lends our support to this bill.

While UPW is known primarily as one of Hawaii’s largest public sector unions, we also represent approximately 1,500 healthcare workers in the private sector. We strongly believe that paid family and medical leave is a benefit that employers should provide to their workforce to remain in step with evolving trends in the labor market. As a result, we still remain concerned about the yet-to-be-determined percentage of employee wages that will be required to sustain the benefit.

Mahalo for this opportunity to testify on this measure.

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Working Group

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Immunization Coalition

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &
Community Living

Public Health Workforce Development

Date: February 24, 2026

To: Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

Re: Support for HB 2360 HD1, Relating to Paid Family Leave

Hrg: February 26, 2026 at 10:00 AM in Conference Room 308

Hawai'i Public Health Institute (HIPHI)¹ and the Healthy Eating, Active Living² (HEAL) coalition **supports HB 2360 HD1**, relating to paid family leave, which establishes a paid family and medical insurance system that provides up to 12 weeks of family leave for public and private sector workers.

It is time for Hawai'i to pass a strong family leave insurance program. Employees need paid time off to care for a newborn, newly adopted or foster child, ill family member, or other unexpected health emergency. Paid family leave guarantees that employees can cover their basic living costs, while also providing care to family members when they need it most. Thirteen states and Washington, D.C., have passed similar legislation providing partial wage replacement for family and medical leave purposes.³

Improved Health for Mothers and Babies

Studies have shown that paid family leave is associated with a reduced risk for medical conditions that put children at risk. For example, a 2015 study in the Journal of Health Economics found that paid family leave was correlated with a 3.2 percent reduced risk of being low birthweight and a 6.6 percent lower risk of an "early term" or premature birth.

Paid family leave is essential in uplifting the health of parents and infants. It has been linked with improved blood pressure, healthier BMI, and less pain in mothers. Researchers found that infants of women with paid leave are 47 percent less likely, and mothers themselves are 51 percent less likely, to end up back in the

¹ Hawai'i Public Health Institute's mission is to advance health and wellness for the people and islands of Hawai'i. We do this through expanding our understanding of what creates health of people and place, fostering partnerships, and cultivating programs to improve policies, systems, and the environments where people live, learn, work, age, and play.

² The Healthy Eating + Active Living (HEAL) Coalition, formerly known as the Obesity Prevention Task Force, was created by the legislature in 2012 and is comprised of over 60 statewide organizations. The HEAL Coalition 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.

³ "[The effects of paid maternity leave: Evidence from Temporary Disability Insurance](#)", Journal of Health Economics, 2015.



hospital after birth compared to women without access to paid family leave or other paid leave programs.⁴

Financial Stability

Studies have found that paid family leave significantly affects families' economic security after a child is born. A 2019 report published in *Social Science Review* concluded that for families of 1-year-old children, paid family leave decreased the risk of poverty by an estimated 10.2 percent and increased household income by an estimated 4.1 percent.⁵ The analysis found that these gains were especially concentrated for low-income mothers, who have fewer social supports for caregiving than more affluent families.

Kūpuna Care

As our kūpuna population continues to grow, paid family leave will be a vital tool in empowering families to care for their loved ones without jeopardizing their financial well-being. Our state has a rapidly aging population. According to the Department of Business, Economic Development, and Tourism, almost one in five residents is now at age 65 or older and more than one-third of all households include at least one person age 65 or older.⁶ The elderly population is expected to continue increasing at a much faster rate than the overall population until 2030, when all baby boomers will be over the age of 65.

We urge your committee to support this measure, so that no one has to choose between caring for their loved ones and protecting their financial security. Mahalo for the opportunity to testify.

Mahalo,

A handwritten signature in black ink that reads 'Kris Coffield'.

Kris Coffield
Policy and Advocacy Associate

⁴ ["Paid Maternity Leave in the United States: Associations with Maternal and Infant Health"](#), *Maternal and Child Health Journal*, 2017.

⁵ ["Does Paid Family Leave Improve Household Economic Security Following a Birth? Evidence from California"](#), *Social Sciences Review*, 2019.

⁶ ["The Elderly Population in Hawai'i: Current Living Circumstances and Housing Options"](#), DBEDT, 2021.



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

February 26, 2026

To: The Honorable Chris Todd, Chair,
The Honorable Jenna Takenouchi, Vice Chair, and
Members of the House Committee on Finance

Date: Thursday, February 26, 2026
Time: 10:00 a.m.
Place: Conference Room 308, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. 2360 HD1 RELATING TO PAID FAMILY LEAVE

The **Department opposes** HB2360 HD1 because advancing this measure will have significant financial impacts on the State, impacts that cannot be fully quantified until an actuarial analysis is completed. Moving forward without this essential information risks committing the State to obligations that may ultimately prove unsustainable.

While we recognize the importance of supporting Hawai'i's workforce through family and medical leave benefits, moving forward prematurely will create fiscal uncertainty and administrative challenges. Drawing from the experiences of other states, initial implementation costs for a program encompassing system development, staffing and public outreach are estimated to be between \$20 million and \$80 million.

State	Launch Year	Startup Cost Estimate	Primary Cost Drivers
Washington ¹	2019	\$82 million	Comprehensive IT build, staffing and 2-year outreach
Colorado ²	2024	\$25-\$30 million	Infrastructure, personnel, and technology integration
Oregon ³	2023	\$50 million	Administrative setup and technology build-out

¹Employment Security Dept. (ESD), [Progress Report to the Legislature \(2020\)](#).

²Dept. of Labor, [Review of the Administrative Costs of Establishing a State Paid Family and Medical Leave Program \(2021\)](#).

³Oregon Employment Dept. (OED), [HB 2005 Fiscal Note & Legislatively Adopted Budget 2021-23](#).

To further illustrate the potential fiscal impact, the estimated startup costs for Hawai'i's paid family and medical leave program are approximately \$80 million, covering infrastructure, personnel, and a comprehensive IT system build. This projected cost is benchmarked against the 2026 expenses of the LBR171 Unemployment Insurance (UI) Division, which provides the closest comparable operational model.

Paid family and medical leave would require the same core functions currently performed by the UI division. The department estimates that implementing and administering this program would require 120 staff. These positions would support employer account registration; contribution intake and processing; cashiering, delinquency, collections, and compliance; fund monitoring and oversight; claims intake and adjudication; payment processing and disbursement; complaint intake and resolution; hearings and adjudication; information technology services; and general administrative support.

The Department notes that some other states staffing for this type of program exceeds the staffing for their UI divisions.

The DLIR would also need to procure and develop a new information technology system to implement and administer the paid family leave program. This system may need to operate either in tandem with or independently from the existing UI mainframe. Coordinating the two systems before, during, and after the UI Division's modernization will likely require substantial redevelopment and integration work, increasing both complexity and cost.

Before moving forward, we must consider the groundwork established by Senate Concurrent Resolution 145 (SLH 2025), along with the \$750,000 appropriation in the current budget, which directed the Department to convene a working group and conduct an actuarial study and legal analysis. These efforts are essential to determine program costs and address Hawai'i's Prepaid Health Care Act exemption to the strong preemption clause in the Employee Retirement Income Security Act (ERISA), which "supersede[s] any and all State laws insofar as they may now or hereafter relate to any employee benefit plan."

Currently, the Department has secured a consultant with a legal background to prepare a Request for Proposal (RFP) to hire an actuary and obtain a legal analysis. The actuary will examine Hawai'i's workforce demographics, wage data, and potential beneficiaries to determine the program's financial viability. The legal analysis will address Hawai'i's unique ERISA exemption for the Prepaid Health Care Law to ensure compliance with federal law and avoid jeopardizing Hawai'i's existing Prepaid Health Care Law.

A comprehensive actuarial study is essential for producing accurate, Hawai'i-specific cost projections. Reliable projections depend on stable and clearly defined program parameters. HB2360 HD1 modifies parameters that were established in last year's measure and used as the basis for the current scope and structure. When the scope or assumptions continue to shift, the actuarial analysis becomes a moving target, making it difficult, if not impossible, to generate independent, credible cost estimates for the State, employers, and employees. Proceeding without fixed parameters risks producing

inconclusive or inaccurate results.

In light of these concerns, the Department respectfully urges the Legislature to defer action on HB2360HD1 until a complete actuarial study can be conducted and an ERISA analysis of potential conflicts with the Prepaid Health Care Law is available. Proceeding only when reliable data and stable assumptions are in place will help ensure that any paid family and medical leave program is responsibly designed, fiscally sustainable, and capable of meeting the needs of Hawai'i's workers and employers.

Thank you for the opportunity to provide testimony on this important matter.

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Committee: Finance
Hearing Date/Time: Thursday, February 26, 2026 at 10:00am
Place: Conference Room 308 & Via Videoconference
Re: **Testimony of the ACLU of Hawai'i in SUPPORT of HB2360 HD1 Relating to Paid Family Leave**

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

The ACLU of Hawai'i **supports HB2360 HD1 Relating to Family Leave**, which by 1/1/2029 requires the Department of Labor and Industrial Relations (DLIR) to establish a family and medical leave insurance program and begin collecting payroll contributions to finance payment of benefits. By 1/1/2030, the bill requires DLIR to start receiving claims and paying benefits under the program. The bill also specifies eligibility requirements and employee protections under the program.

ACLU National and ACLU of Hawai'i have a longstanding commitment to redressing the adverse effects of racism and sexism and other forms of invidious discrimination. That includes decades long commitments to affirmative action in employment and paid leave reflected in our organization's policies. It includes commitments to defend essential health care coverage to address "harsh economic and social disparities that threaten our country's democratic foundation and the cohesion of our society."

In the past eight years, the State has conducted **at least two** comprehensive studies on the efficacy and implementation of a paid family leave program for Hawai'i. The first was **completed in 2017 by the Commission on the Status of Women (HSCSW)¹ with a grant from the U.S. Department of Labor**. The second was conducted by the **Legislative Reference Bureau² in response to ACT 109 (2018)**.

The U.S. is the only developed country in the entire world that does not provide by law paid family leave to workers. The federal Family and Medical Leave Act (FMLA) only provides unpaid leave. And only for a little more than half of all U.S. employees.³

¹ Hawaii State Paid Family Leave Analysis Grant Report, November, 2017.

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

² Paid Family Leave Program Impact Study, in Accordance with ACT 109, SLH 2018. https://lrb.hawaii.gov/wp-content/uploads/2019_PaidFamilyLeaveProgramImpactStudy.pdf

³ Employee and Worksite Perspectives of the Family and Medical Leave Act: Supplemental Results from the 2018 Surveys. July 2020.

For workers living paycheck to paycheck, this is not an option. When a loved one is sick, their only options are to leave them unattended, or lose income and risk missing utility bill payments, not buying food, or worse, risk becoming houseless. This is unacceptable.

Providing robust family leave for every worker is a principle of equality.

“As of March 2023, only 27 percent of civilian workers had access to paid family leave through their employer,” according to the U.S. Department of Labor.⁴ What’s more, that number drops substantially when looking at “the lowest-wage earners, just 6 percent” of whom have access to paid leave through their employers. **Those most likely to have access to paid family leave are higher-wage earners, who also happen to be white.** During the COVID pandemic, those were the same workers able to work safely from the comfort of their own homes.

The COVID-19 pandemic showed us just how vulnerable our workers and families are to virulent disease. Not only would a public paid family leave program provide much needed assistance to Hawai‘i’s “essential workers” who live paycheck to paycheck and are predominantly women and people of color, it could also prove useful in protecting customers and coworkers from catching and spreading contagious illnesses.

A robust public paid family leave insurance program would provide workers up to 12 weeks of paid leave. And because a public insurance program would cover all workers in the state, it could cost as little as \$58 a year for each worker.⁵ **When split with the employer, that amounts to just \$0.56 a week.**

A more recent study conducted by researchers at Vanderbilt University determined a universal paid family leave program could be funded with just 0.7% of payroll (0.35% paid by the employer, 0.35% paid by the employee).

How would paid family leave work in Hawai‘i?

- Employers currently pay **0.5%** of payroll for **TDI alone**
- A state-run **PFL program** would cost **0.7%** of payroll
- Employers could cover the cost of PFL premiums or have their employees to pay up to half
- The state’s administration costs are included in the 0.7%

https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/WHD_FMLA2018SurveyResults_Appendices_Aug2020.pdf

⁴ News Release. US Department of Labor Announces New Research that Underscores Benefits of Paid Family Leave. November 2024. <https://www.dol.gov/newsroom/releases/wb/wb20241121>

⁵ *ibid.* 1

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<i>A worker earning:</i>	<i>Would pay:</i>	<i>And receive:</i>
Minimum wage (\$29,000 per year)	\$102 per year	\$504 per week
Average wage (\$62,000 per year)	\$217 per year	\$930 per week
	<i>in premiums</i>	<i>in benefits</i>

- Of note, the lack of public paid family leave insurance exacerbates sex and gender inequality:
 - A gender wage gap emerges after a child, known as the Motherhood Penalty.
 - Wage gaps mean significantly lower earning potential over the course of someone's career.

13 states and the District of Columbia have implemented paid family leave programs. It's time for Hawai'i to join them.

Sincerely,

Josh Frost

Josh Frost

Policy Assistant

ACLU of Hawai'i

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**The Hawaii State Legislature
House Committee on Finance
February 26, 2026
Conference Room 308, 10:00 a.m.**

TO: The Honorable Chris Todd, Chair
FROM: Keali'i S. López, State Director
RE: Support for H.B. 2360, HD1 Relating to Paid Family Leave

Aloha Chair Todd and Members of the Committee:

I am Keali'i Lopez, State Director for AARP Hawai'i. AARP is the nation's largest nonprofit, nonpartisan, social impact organization dedicated to empowering people fifty and older to choose how they live as they age. We advocate for the issues that matter most to older adults and their families: health and financial security, and personal fulfillment. On behalf of our 135,000 members in Hawai'i, thank you for the opportunity to testify.

AARP Hawai'i is in support of H.B. 2360 HD1, which requires the Department of Labor and Industrial Relations (DLIR) to establish a statewide paid family and medical leave insurance program, begin collecting payroll contributions by January 1, 2029, and begin paying benefits by January 1, 2030.

Hawai'i's long-term care system depends on unpaid family caregivers to keep kūpuna at home—where they want to be and out of expensive nursing homes. About one in four people (23% of adults in Hawai'i or approximately 260,000 people) are family caregivers.¹ They contribute more than \$2.6 billion in unpaid care each year, helping older adults with meals, bathing, transportation and other tasks that allow their loved ones to remain in their home. More than half perform medical tasks typically handled by trained professionals.

Many of these caregivers must balance caregiving with employment—60% of family caregivers worked full- or part-time in 2023, and 40% report emotional stress from juggling work and caregiving responsibilities. One-third of all caregivers support two generations at once. These pressures lead many to cut work hours or leave the workforce entirely, creating serious long-term financial risk. (AARP Valuing the Invaluable: 2023)



HB 2360- Relating to Paid Family Leave

AARP Hawaii

Page 2

H.B. 2360, HD1 creates a paid family and medical leave insurance program that allows workers to take leave while receiving partial wage replacement—helping them care for a new child, a family member with a serious health condition, or address their own medical needs.

A paid family leave system is not just good for workers—it is good for business. When caregivers cannot balance work and caregiving, employers lose experienced workers and incur significant replacement and training costs. Paid leave reduces turnover, improves productivity, and supports a stable workforce.

This bill offers Hawai'i a social-insurance approach that strengthens economic security for workers while supporting employers of all sizes. H.B. 2360 represents Hawai'i's efforts to provide paid family and medical leave for working caregivers. Family caregivers are the foundation of our long-term care system, and they deserve the ability to care for their loved ones without facing job loss or financial hardship.

AARP Hawai'i urges the Legislature to support our working families. Thank you for the opportunity to testify on H.B. 2360, HD1.

References

1. [Caregiving in the U.S. 2025 \(AARP & NAC\)](#)

HB-2360-HD-1

Submitted on: 2/24/2026 1:58:06 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chloe Pua'ena Vierra-Villanueva	Individual	Support	In Person

Comments:

Aloha Chair Matayoshi, Vice Chair Grandinetti, and Committee Members,

My name is Pua'ena and I am testifying in strong support of HB2360. Hawai'i families need paid family and medical leave. Many families are living paycheck to paycheck. It is critical that Hawai'i implement programs like this so that families are able to thrive in Hawai'i, not just survive.

No one should have to choose between caring for their family and keeping their job. Please pass HB2360 and put 'ohana first. Working families don't get to choose when or how medical needs happen, but they need to preserve their incomes and work stability when issues arise. Our economy can be stronger if we support workers through programs that help them obtain and stay at their jobs while being able to care for themselves and their families.

This program is for working families and ALICE families like mine who struggled to provide care for our medically complex child and sick, elderly parent without leave. My son was in the NICU for over 5 months after his early birth and I only had 2 weeks of parent leave (which my employer did not need to provide) before I had to go back to work full time. I only saw my baby 4 hours every week day between work and my commute home. As a Hawaiian immersion toddler teacher, I was spending 9 hours a day caring for other children and sacrificing bonding with my child for some sense of financial security. We lost our rental apartment and we were drowning in medical bills due to the high cost of living in Hawai'i. We were in and out of the hospital for 3 years after his birth and I left the workforce to meet our child's developmental and care needs. This program is not only for the economic stability of Hawai'i, but for better health outcomes for babies, growing keiki, parents, caregivers, and abuse survivors.

Without access to Paid Leave, my family could have been weeks away from being a part of the sad statistics that shows high rates for homelessness in Hawai'i for native Hawaiians and keiki birth to 3 years old. That is hewa. That is wrong. Hawai'i lawmakers can choose to make Paid Leave accessible for families when we need it the most. The ancestors of my keiki have suffered from being houseless in Hawai'i. This measure puts keiki first and tells all who suffered and survived a life crisis that their sacrifices mattered. If we want to prevent more Hawai'i families from suffering and becoming unsheltered and promote quality of life for our youngest keiki, then we need to ensure equitable pathways to care and financial stability.

As a parent, Early Childhood Education professional, and concerned community member, I hope that our lawmakers will pass this measure this year and not wait until next year to help all of the people working hard in Hawai'i for Hawai'i. Mahalo for the opportunity to testify. Please pass this measure.

Me ka ha'aha'a,
C. Pua'ena Vierra-Villanueva
'Ohana Leadership Council

HB-2360-HD-1

Submitted on: 2/24/2026 2:07:13 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jay Franzone	Individual	Support	Written Testimony Only

Comments:

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

HB-2360-HD-1

Submitted on: 2/24/2026 2:14:07 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noelle Lindenmann	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

Mahalo for this opportunity to provide testimony.

Noelle Lindenmann, Kailua-Kona

HB-2360-HD-1

Submitted on: 2/24/2026 2:15:00 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Erin Hagan	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

Mahalo for putting families first!

Erin Hagan

Waiialua

HB-2360-HD-1

Submitted on: 2/24/2026 2:22:04 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Renee Hall	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

My name is Renee Dacanay, and I am a working mother and caregiver living in Honolulu. I strongly support HB2360 HD1. Paid family and medical leave is critical for families like mine who must balance work, caregiving, medical recovery, and essential appointments for our children.

Without paid leave, parents are often forced to choose between their job and their family's health. This bill would provide stability for working families, caregivers of children with special needs, and individuals recovering from injury or serious health conditions. No family should face financial hardship simply for caring for a loved one or healing themselves.

Mahalo for your consideration and for supporting Hawai'i's working families.

HB-2360-HD-1

Submitted on: 2/24/2026 2:23:24 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessie L Gonsalves	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

Paid Family Leave and Medical need is URGENTLY NEEDED TO BE PAID! I had to go back to work after two months of maternity leave due to no paid fmla or MATURNITY leave paid available from work to be able to pay bills and buy food.

Mahalo for putting families first!

Jessie Leialoha Gonsalves

HB-2360-HD-1

Submitted on: 2/24/2026 2:33:11 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sarah Fairchild	Individual	Support	Written Testimony Only

Comments:

I support this bill for paid medical leave.

HB-2360-HD-1

Submitted on: 2/24/2026 2:35:18 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Ball	Individual	Support	Written Testimony Only

Comments:

I support this legislation.

David Ball

Waiialae-Kahala



STATE OF HAWAII
OFFICE OF WELLNESS AND RESILIENCE
OFFICE OF THE GOVERNOR
415 S. BERETANIA ST. #415
HONOLULU, HAWAII 96813

Testimony on H.B. 2360 HD1
RELATING TO PAID FAMILY LEAVE

Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Finance

February 26, 2026, at 10:00 a.m.; Room Number: 308

The Office of Wellness and Resilience (OWR) **SUPPORTS** H.B. 2360 HD1, Relating to Paid Family Leave and defers to the Department of Labor and Industrial Relations (DLIR).

The mission of the OWR is to strengthen state systems and services by advancing hope-centered principles and supporting Hawai'i's transition toward becoming a trauma-informed state. In this work, our office explores avenues to increase access and availability to mental, behavioral, social, and emotional health services and support.

Paid Family Leave is a Top Priority for Hawai'i's Workforce

In 2024, OWR partnered with the University of Hawai'i College of Social Sciences to conduct the Hawai'i Quality of Life and Well-Being Survey—the largest statewide survey of quality of life and well-being in Hawai'i's history, with over 8,300 residents participating. When asked to identify their most important workplace benefits, four out of five state employees rated paid family leave as very important, making it one of the top five most valued benefits.¹

¹ Barile, J.P., Orimoto, T., Kook, J., Chae, S.W., Dgheim, D., Rivera, C., Helfner, S., Turner, H., Thompson, K., Yamauchi, E., Leipold, N., & Hartsock, T. (2024). *Hawai'i quality of life and well-being dashboard*. Partnership for Wellness & Resilience, Health Policy Initiative, University of Hawai'i at Mānoa

Our State of Well-Being Landscape Assessment reinforced this finding: paid family leave ranked among the top five most important benefits for first responders, healthcare providers, and school staff—three workforce sectors facing significant recruitment and retention challenges.² Considering comprehensive employee benefits, including paid family leave, is one of the report recommendations for enhancing workforce wellness.

Paid Family Leave Supports Trauma Prevention

As part of our mandate to make Hawai'i a trauma-informed state, OWR is committed to preventing adverse childhood experiences (ACEs) across the lifespan. Research consistently demonstrates that paid family leave supports early bonding between caregivers and infants during a critical developmental window, reduces family financial stress during vulnerable transitions, and enables caregivers to be present during serious illness—all factors that mitigate ACE risk and build family resilience.³ Paid family leave is an important policy strategy for primary prevention of ACEs and toxic stress in that it both strengthens economic supports and facilitates parent-child bonding.⁴ Paid family leave is not only a workforce benefit; it is a public health intervention that strengthens families at their most critical moments.

H.B. 2360 HD1 is an opportunity for our state to further strengthen our vital workforce and get closer to becoming a trauma-informed state. Thank you for the opportunity to testify on this important measure.

Tia L.R. Hartsock, MSW, MSCJA
Director, Office of Wellness & Resilience

² Hawai'i Office of Wellness and Resilience. (2025). State of well-being project: A landscape assessment of mental health and well-being supports and services, barriers, facilitators, and needs for state, county, and select community-based first responders, healthcare, and school staff. State of Hawai'i. Retrieved from <https://owr.hawaii.gov/state-of-well-being-project/>

³ Lindsey Rose Bullinger, The Effect of Paid Family Leave on Infant and Parental Health in the United States, *Journal of Health Economics*, Volume 66, 2019, Pages 101-116, ISSN 0167-6296, <https://doi.org/10.1016/j.jhealeco.2019.05.006>.

⁴ Bhushan D, Kotz K, McCall J, Wirtz S, Gilgoff R, Dube SR, Powers C, Olson-Morgan J, Galeste M, Patterson K, Harris L, Mills A, Bethell C, Burke Harris N, Office of the California Surgeon General. Roadmap for Resilience: The California Surgeon General's Report on Adverse Childhood Experiences, Toxic Stress, and Health. Office of the California Surgeon General, 2020. DOI: 10.48019/PEAM8812

HB-2360-HD-1

Submitted on: 2/24/2026 3:26:58 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
liz anne	Individual	Support	Written Testimony Only

Comments:

I strongly support the establishment of paid family leave in Hawaii. Working families should not have to choose between caring for a newborn, supporting a sick family member, or protecting their own health and keeping a paycheck. Paid family leave promotes family stability, strengthens child development, and improves overall community well-being. As a state that values ohana, Hawaii should ensure that workers have access to paid leave during critical life moments. Implementing a comprehensive paid family leave program would be an investment in healthier families and a stronger workforce.

HB-2360-HD-1

Submitted on: 2/24/2026 3:29:58 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Rhonda Benigno	Individual	Support	Written Testimony Only

Comments:

No one should have to risk losing their job or income just to take care of their family, welcome a new baby or recover from their own serious health conditions.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
HB2360 HD1 – Relating To Paid Family Leave
House Committee on Finance
Thursday, February 26, 2026, at 10:00 AM, Conference Room 308 & Videoconference

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

Thank you for the opportunity to testify in strong support of HB2360, which would establish a paid family and medical leave insurance program in Hawai'i. This bill represents the culmination of years of study, analysis, and advocacy—and the answer to a question no working family should ever have to face: should I have to choose between my paycheck and caring for my 'ohana?

The Need Is Urgent and Well-Documented

Over the past eight years, our state legislature has thoroughly examined the prospect of a paid family leave program through economic analyses, eligibility modeling, cost breakdowns, feasibility studies, and public opinion polling. Hawai'i has more than enough data to justify this program, and the need for relief on the part of working families is only growing.

The lack of paid family leave in the United States underscores the need for comprehensive action at the state level. Current offerings, such as the federal Family and Medical Leave Act and the Hawai'i Family Leave Law, fall short, leaving a significant portion of our workforce without adequate protection.¹ These laws provide job protection, but the leave is unpaid—and because they apply only to larger employers, most workers are not even eligible for that.

Low-wage workers, who often need paid leave the most, face the highest barriers to access. While some companies provide this benefit, it typically caters to higher-income employees.² Nationally, only 6 percent of low-wage workers have access to paid family leave through their employers.³ This means that those least able to afford unpaid time off are precisely the ones most likely to be forced to take it—or to forgo caregiving altogether.

¹ Romig, Kathleen and Kathleen Bryant, "A National Paid Leave Program Would Help Workers, Families," Center on Budget and Policy Priorities, April 27, 2021.

<https://www.cbpp.org/research/economy/a-national-paid-leave-program-would-help-workers-families>

² Ibid

³ U.S. Department of Labor, "US Department of Labor announces new research that underscores benefits of paid family and medical leave," November 21, 2024.

<https://www.dol.gov/newsroom/releases/wb/wb20241121>

The consequences of this absence are profound, especially in Hawai'i, where a significant percentage of children live in households where both parents work. It's no wonder that public sentiment strongly supports the implementation of paid family leave. A statewide poll for Hawai'i showed a **90 percent favorable perception of paid family leave**.⁴ For the well-being of our communities and the sustainability of our workforce, it is crucial for the state to establish a robust safety net for families facing caregiving responsibilities.

A Proven Model

HB2360 proposes a family and medical leave insurance program that follows in the footsteps of successful models in 13 states and the District of Columbia. This approach involves small payroll contributions from both employees and employers into a dedicated insurance fund, spreading the burden fairly and sustainably.

Experts across the political spectrum agree that a social insurance model—similar to programs like Social Security and Medicare—is highly effective in reducing costs, minimizing administrative expenses, and preventing discrimination against leave-taking workers.⁵ This kind of system keeps workers, especially women, in the workforce while reducing their reliance on public benefits.⁶

Research shows that job-protected paid family leave ensures that more workers are able to return to the labor force.⁷ In California, where a similar program has been in place for over 20 years:

- Mothers with access to family leave showed increased work hours and higher average incomes than before the law's enactment.⁸

⁴ Anthology FINN Partners, "Paid Family Leave Hawaii Resident Survey," Hawai'i Children's Action Network, December 2024.

https://assets.nationbuilder.com/goodbeginnings/pages/2445/attachments/original/1739406372/REPORT_HCAN-PFL_12-2024_Web_Highlights.pdf?1739406372

⁵ Malde, Jack, "What's on the Table? A Review of Federal Paid Family Leave Proposals," Bipartisan Policy Center, April 28, 2025.

<https://bipartisanpolicy.org/explainer/whats-on-the-table-a-review-of-federal-paid-family-leave-proposals>

⁶ Boyens, Chantel et al., "Understanding Equity in Paid Leave through Microsimulation: National Report," Urban Institute, September 2024.

<https://static1.squarespace.com/static/6536b8dab487e203ecaa28ae/t/67c7b6f44348db3e0913e177/1741141750435/Understanding+Equity+In+Paid+Leave+Microsimulation+National+Report.pdf>

⁷ Kling, Karen et al., "Economic and Health Impacts of Paid Parental, Caregiving, and Medical Leave: A review of existing literature and evidence," University of Michigan, November 7, 2024.

<https://poverty.umich.edu/files/2024/11/paid-leave-report-final-nov-7-2024.pdf>

⁸ Rossin-Slater, Maya et al., "The Effects of California's Paid Family Leave Program on Mothers' Leave-Taking and Subsequent Labor Market Outcomes," *Journal of Policy Analysis and Management*, 32(2), 224-245, 2013.

https://pmc.ncbi.nlm.nih.gov/articles/PMC3701456/#:~:text=The%20study%20found%20that%20the%20pogram:%20*.mothers%20*%20Unmarried%20mothers%20*%20Nonwhite%20mothers

- Studies have highlighted the positive impact of paid leave on public assistance and SNAP reliance, with beneficiaries being significantly less likely to depend on these services.⁹
- Employers have reported reduced turnover, increased productivity, and lower labor costs during leave periods, since wages are paid from the state fund rather than employer payrolls.¹⁰

HB2360 would provide:

- Up to 12 weeks for parental leave (bonding with a new child), caregiving leave (caring for a seriously ill family member), deployment-related leave, and safe leave (such as situations involving domestic violence).
- Up to 26 weeks for medical leave (a worker's own serious health condition), consistent with our current Temporary Disability Insurance standard.
- Partial wage replacement, with a higher replacement rate for lower-income workers to ensure those who need the benefit most can afford to take it.
- Job protection, ensuring workers can return to their position after leave.
- An exemption of benefits from state income tax, so workers keep more of what they receive.

The program would begin collecting payroll contributions to build the trust fund, with benefits payable starting January 1, 2030, providing ample time for implementation.

HB2360 would mark a massive leap forward for the well-being of Hawai'i's working families. It would give parents time to bond with new children without financial ruin. It would allow adult children to care for aging parents without losing their jobs. It would let workers recover from serious illness without choosing between health and homelessness. It would provide safety and stability for those escaping domestic violence.

No one in Hawai'i should have to choose between their loved ones and their paycheck. HB2360 ensures they never have to.

We urge this committee to pass this bill and make paid family and medical leave a reality for all of Hawai'i's working families.

Mahalo for the opportunity to testify.

⁹ Lenhart, Otto, "The effects of paid family leave on food insecurity—evidence from California," *Review of Economics of the Household*, 19(3), 615–639, 2021.

<https://link.springer.com/article/10.1007/s11150-020-09537-4>

¹⁰ Cowan, Greer and Patrick Kallerman, "Paid Family Leave in California: Lessons From 20 Years of California's Paid Family Leave Program," Bay Area Council Economic Institute, September 2021.

https://www.bayareaeconomy.org/files/pdf/BACEI_PFL_Sept2021.pdf

HB-2360-HD-1

Submitted on: 2/24/2026 3:55:37 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
William Caron	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the committee,

I am testifying in strong support of HB2360, which would establish a statewide Paid Family and Medical Leave (PFML) program for Hawai‘i. This bill answers a fundamental question: should a worker have to choose between their paycheck and caring for their ‘ohana? The answer is no. And with HB2360, it no longer has to be that way.

The Problem We Cannot Ignore

Every day, workers across Hawai‘i face impossible choices. A new baby arrives, and a parent must return to work within days because they cannot afford unpaid leave. A loved one receives a serious diagnosis, and a family caregiver must keep working while their relative struggles alone. A worker's own health fails, and they must choose between recovery and a paycheck.

These are not rare or exceptional circumstances. They are universal human experiences. And in the United States—alone among developed nations—there is no national program to ensure that workers can meet them without financial catastrophe.

Currently, only about one in four private sector workers in Hawai‘i has access to paid family leave through their employer. Lower-income workers—who are disproportionately Native Hawaiian and Pacific Islander—are the least likely to have this benefit and the most likely to need it. The federal Family and Medical Leave Act and Hawai‘i Family Leave Law provide job protection, but the leave is unpaid. And because they apply only to larger employers, most workers are not even eligible for that.

Hawai‘i does have a Temporary Disability Insurance program that provides partial pay for workers recovering from their own illness or injury, including childbirth. But TDI cannot be used by non-birth parents, cannot be used to care for a sick family member, and does not provide bonding time with a new child. Of the five states with TDI programs, Hawai‘i is the only one that does not also have a statewide PFML program. We are the outlier, and our families are paying the price.

What PFML Does

HB2360 creates a state-run benefit program, funded by small payroll deductions paid into a state trust fund. When a worker needs to take leave, they apply to the fund and receive partial income replacement. Employers do not pay wages during the leave period; the fund does.

The program provides:

- **Up to 12 weeks** for parental leave (bonding with a new child) and caregiving leave (caring for a seriously ill family member).
- **Up to 26 weeks** for medical leave (a worker's own serious health condition), consistent with our current TDI standard.
- A higher wage replacement rate for lower-income workers, ensuring that those who need the benefit most can afford to take it.
- Job protection, so workers can return to their position after leave.

The cost is modest. A recent analysis found that a minimum wage worker would pay less than **\$2 per week** into the system (assuming their employer matches that contribution) and receive **\$504 per week** in benefits when on leave. An average wage worker would pay about **\$4 per week** and receive **\$930 per week**. For less than the cost of a daily cup of coffee, a worker gains economic security during life's most vulnerable moments.

The Evidence Is Overwhelming

Twenty years ago, California became the first state to implement PFML. Since then, 12 other states and the District of Columbia have followed. The research is clear: PFML works.

- **For families:** New parents with paid leave spend more time bonding with their children, improving health and educational outcomes. The American Academy of Pediatrics has stated that "universally available PFML is a key component of improving the health of children and families." Workers who can care for ill family members without losing income experience less stress and better outcomes. States with PFML have seen reductions in nursing home utilization—in California, researchers found an 11% decrease—as family caregivers are able to provide care at home.
- **For workers:** PFML keeps people attached to the workforce, particularly women, who are most often the ones to leave jobs when caregiving needs arise. It reduces reliance on public benefits and prevents the spiral into poverty that can follow a major health event or caregiving crisis. A worker taking four weeks of unpaid leave loses an average of **\$3,700** in wages. PFML prevents that loss.
- **For businesses:** Studies have found that PFML is good for business. Employees with access to paid leave are more productive and loyal, reducing costly turnover. A cross-industry analysis found that after introducing PFML programs, firms experienced average increases of **4.6% in revenues and 6.8% in profits per employee**. In California, small businesses reported an average **14% decrease in labor costs** when employees took PFML, because wages were paid from the state fund rather than the employer's payroll.

Crucially, PFML levels the playing field for small businesses. Currently, most small employers cannot afford to offer robust paid leave, putting them at a disadvantage in competing for talent

against large corporations that can. A statewide program allows every business, regardless of size, to offer this essential benefit. Recent surveys show that nearly **8 in 10 small business owners** support PFML and believe it boosts employee morale and productivity.

We Are Losing Families to States That Have PFML

In 2023, more than **25,000 Hawai‘i residents moved to states with PFML programs**—California, Washington, Oregon, and others. When young couples decide where to start a family, paid leave is increasingly a deciding factor. Recent polling shows that paid leave is among the top three policies people prioritize, and for Gen Z, it is the **most important** factor when considering moving to another state.

We cannot afford to keep losing our working-age families to the mainland. HB2360 is not just a benefit; it is a retention strategy, a competitiveness strategy, and a statement that Hawai‘i values the people who live here.

A Matter of Values

No one in Hawai‘i should have to choose between their loved ones and their paycheck. No parent should miss their child's first months because they cannot afford to stay home. No adult child should watch a parent struggle alone because they cannot take time off work. No worker should face illness without the security of knowing they can recover without losing everything.

PFML is not a handout; it is insurance. It is what we pool together as a community so that when life happens—and it will happen to all of us—we are not left to face it alone. It is the recognition that caregiving is work, that family is fundamental, and that a society that abandons people at their most vulnerable moments is not a society worth defending.

Twenty years ago, California led the way. Twelve other states and D.C. have followed. Hawai‘i can be next. We can demonstrate that we value ‘ohana not just in words, but in policy. We can make it possible for workers to care for a new baby, support a sick loved one, or tend to their own health—without losing their income or their job.

I urge you to pass HB2360. It is time for paid family and medical leave in Hawai‘i.

Mahalo for the opportunity to testify.

HB-2360-HD-1

Submitted on: 2/24/2026 4:08:47 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Stephanie Austin	Individual	Support	Written Testimony Only

Comments:

Please support this important bill which will really help Hawaii's families! Whether expecting a child or caring for an elder, paid family leave is essential!



745 Fort St. Mall
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Honolulu, HI 96815

808-521-9500
NFIB.com

February 24, 2026

TO: Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

FR: Michael Iosua, State Director
NFIB, Hawai'i Chapter

RE: **OPPOSITION** TO HB 2360, HD1 – RELATING TO PAID FAMILY LEAVE

Hearing date: February 26, 2026, at 10:00 AM

Aloha Chair Todd, Vice Chair Takenouchi and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NFIB's Hawai'i Chapter in **OPPOSITION** to HB 2360, HD1 – RELATING TO PAID FAMILY LEAVE. NFIB is a nonprofit, nonpartisan, and member-driven organization exclusively dedicated to small and independent businesses. With members in all four counties, NFIB's Hawai'i chapter advocates on issues that affect Hawai'i's small and independent business owners.

HB 2360, HD1 proposes the creation of a state-mandated paid family and medical leave insurance program funded through required payroll contributions. While we recognize the intent to provide economic security during periods of medical or family need, we are deeply concerned that the structure contemplated by this measure would impose substantial and disproportionate burdens on Hawai'i's businesses, especially small independent businesses, that are already operating on extremely narrow margins.

Small businesses across Hawai'i continue to face rising operational costs, including increased minimum wages, higher healthcare premiums, escalating commercial rents, supply chain pressures, and some of the highest overall tax and regulatory costs in the nation. HB 2360, HD1 would layer an additional payroll tax and compliance obligation onto employers at a time when many are still recovering from a tough economy and additional national burdens. We believe this additional cost and administrative burden will be a huge detriment to all businesses, but even more so for Hawai'i's small businesses. NFIB Hawai'i members and other small business

owners rely on a limited number of employees to manage payroll, compliance, and daily operations. They don't have the resources to handle additional compliance costs. The uncertainty surrounding annual contribution rates further compounds this challenge, making long-term budgeting and workforce planning increasingly difficult. That's why you see so many small businesses closing shop.

The cumulative effect of new mandated costs and compliance responsibilities could lead to reduced hiring, decreased employee hours, delayed expansion, or, in the most severe cases, business closures. Hawai'i's small businesses form the backbone of local communities, providing essential goods, services, and employment opportunities.

We strongly urge the committee to DEFER HB 2360, HD1, at least until the Senate Concurrent Resolution 145 working group completes its studies and makes a recommendation. However, if the committee determines that some form of paid family and medical leave program should move forward this year, we respectfully request an exemption for businesses with fewer than fifty employees. Aligning with existing federal thresholds would recognize the limited capacity of smaller employers to absorb new payroll-based mandates while still allowing larger employers to participate in the program.

HB-2360-HD-1

Submitted on: 2/24/2026 4:12:55 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia Blair	Individual	Support	Written Testimony Only

Comments:

Good to support families needs.

HB-2360-HD-1

Submitted on: 2/24/2026 4:13:13 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
irene kloepfer	Individual	Support	Written Testimony Only

Comments:

Aloha. HB2360 would create a statewide paid family & medical leave (PFML) program so workers can care for a new baby, support a sick loved one, or take care of their own health — without going without income or losing their job. No family should have to choose between a paycheck and caring for their ‘ohana!

aloha. Irene

HB-2360-HD-1

Submitted on: 2/24/2026 4:27:16 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Bethany Albrecht	Individual	Support	Written Testimony Only

Comments:

Testimony (HB2360)

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

Mahalo for putting families first!

Bethany Albrecht

HB-2360-HD-1

Submitted on: 2/24/2026 4:28:16 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Caroline Hayashi	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I want to express my strong support for HB2360. Paid family and medical leave allows hard working residents to care for their families without sacrificing financial stability. With Hawaii's high cost of living, so many families already struggle to make ends meet. Having to choose between caring for a loved one or paying rent is an impossible one. If we want our families and our workforce to stay in Hawaii, we need policies that support our `ohaha.

Mahalo,

Caroline Hayashi

HB-2360-HD-1

Submitted on: 2/24/2026 4:57:10 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jane E Arnold	Individual	Support	Written Testimony Only

Comments:

My name is Jane Arnold and I live in Kaimuki. I am requesting that you support HB2360, which would create a statewide paid family & medical leave (PFML) program so workers can care for a new baby, support a sick loved one, or take care of their own health — without going without income or losing their job. No family should have to choose between a paycheck and caring for their ‘ohana!

HB-2360-HD-1

Submitted on: 2/24/2026 5:09:28 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Beighlee Vidinha	Individual	Support	Written Testimony Only

Comments:

My name is Beigh Vidinha and I am in support of HB2360 HD1, requiring the Department of Labor and Industrial Relations to establish a family and medical leave insurance program. Families should be allowed peace of mind and financial security after major life events such as birth or unexpected medical emergencies, without worrying about income. Families should not live in fear and it is both morally unjust and unethical to deny a person(s) a sense of security during life's most vulnerable moments.

About a year and a half ago, I was diagnosed with polycystic ovarian syndrome (PCOS) after countless ultrasounds found multiple cysts on both of my ovaries. This has caused me severe physical and emotional pain, and has completely altered the trajectory of my life. I have been experiencing severe menstrual cycles and have had to call out of the job I was at multiple times due to my illness. Due to this, they terminated me unlawfully. No one should feel like their sense of financial security is at risk due to illness, sickness, birth or a loved one falling ill.

Mahalo.



February 24, 2026

To: House Committee on Finance

Re: Testimony in SUPPORT of HB2360

Dear Chair Todd, Vice Chair Takenouchi and the Members of Committee,

Members of AAUW of Hawaii thank you for this opportunity to testify in support of HB2360 which would establish a paid family and medical leave program for Hawaii.

The United States is the only developed country without national paid family and medical leave. Paid family and medical leave allows workers to take time off and still receive part of their income when they need to care for their own serious health needs or those of a loved one, or to bond with a new child.

The federal Family Medical Leave Act (FMLA) and Hawai'i Family Leave Law (HFLL) protect an employee from losing their job while they are caring for a sick relative or their self or bonding with a new child, but that leave is unpaid. And since the FMLA and HFLL apply only to very large employers, most Hawaii workers are not even eligible for that unpaid leave.

Meanwhile, Hawai'i has 154,000 unpaid family caregivers, providing 144 million hours of care worth \$2.6 billion per year, and those numbers will continue to increase as our population ages.

Paid family and medical leave helps our families: Research found that states with PFML programs have seen significant health, social and economic benefits. Families who have access to paid leave – especially working women – are healthier, more economically secure, more likely to stay in the workforce, and less likely to need public benefits.

Paid family and medical leave helps our businesses: Researchers found that PFML is good for business, because employees with PFML are more productive, which increases profits, and loyal, which lowers turnover costs.

No one in Hawaii should have to choose between their loved ones and their paycheck. It's time for paid family and medical leave in Hawaii.

Please support HB2360.

Sincerely,
Nancy Rustad
Public Policy Committee, AAUW of Hawaii
publicpolicy-hi@aauw.net

The American Association of University Women (AAUW) of Hawaii is an all volunteer, statewide chapter of a national organization and is made up of six branches: Hilo, Honolulu, Kaua'i, Kona, Maui, and Windward Oahu. AAUW's mission is to advance gender equity through research, education, and advocacy. Our goal is economic security for women.

HB-2360-HD-1

Submitted on: 2/24/2026 5:22:19 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cristina Bacchilega	Individual	Support	Written Testimony Only

Comments:

I am so encouraged that HB 2360 passed the House Committee on Consumer Protection & Commerce unamended and is now being considered by the House Finance Committee. Thank you for considering this important bill that, if passed, will make a difference to Hawai'i families and future wellbeing in Hawai'i.

As you know there are already 13 states that have a Paid Family & Medical Leave programs, and they have proved to work well, meaning the financial burden on workers to contribute to the fund is minimal and employers do not have to pay for the leave. The program would especially benefit lower-income families, whether the leave is to bond with a baby or to care for a terminally ill or seriously injured family member. I believe that this paid family & medical leave program would also ensure a worker's return to the job and improve quality of life in Hawai'i.

As i said in earlier testimony i had no family or medical leave when i had my child 37 years ago. I did not realize then what a difference having time with my baby would have made. You have the opportunity to do womething truly beneficial to every worker and their families here in the islands. Please do the ethical and also sensible thing: pass this Paid Family & Medical Leave bill! Thank you for listening,

HB-2360-HD-1

Submitted on: 2/24/2026 5:28:18 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Karley Beaver	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i families deserve policies that put 'ohana first.

Families need all of the support that they can get. Grocery prices, insurance costs, medical bills, utilities, and rent prices are incredibly high. Kids go to school and they get sick. It is just a part of life. But with the cost of living, working people cannot afford to take unpaid time off to go to the hospital.

Help parents take care of their children and keep their families healthy without risking their paycheck.

Mahalo for putting families first.

Karley Beaver

HB-2360-HD-1

Submitted on: 2/24/2026 5:42:47 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Krystal Baba	Individual	Support	Written Testimony Only

Comments:

SUPPORT

HB-2360-HD-1

Submitted on: 2/24/2026 6:08:17 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
pahnelopi mckenzie	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first. HB2360 should be supported by all. We talk of family first, keiki matter yet we give no time for parents to welcome the human into life. This should not be a debate and over the years so much advocating and still no paid family leave. I see the heart break of families having to decide to go to work after a baby. Please pass this, it is so simple and make such clear sense. I support HB 2360

Thank you Pahnelopi McKenzie

HB-2360-HD-1

Submitted on: 2/24/2026 6:39:38 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noel Shaw	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

As a mother of three keiki and having cared for kūpuna, carework, is work and should be acknowledged as such.

Aloha requires us to put families first!

Noel Shaw

HB-2360-HD-1

Submitted on: 2/24/2026 7:15:58 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ashley de Coligny	Individual	Support	Written Testimony Only

Comments:

Aloha, I am a Hawaii resident and working mother writing in support of this bill. Nobody should have to risk losing their job or income just to provide care for their family. Thank you for the opportunity to testify.

HB-2360-HD-1

Submitted on: 2/24/2026 7:47:20 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
GARY SIMON	Hawai'i Family Caregiver Coalition	Support	Written Testimony Only

Comments:

Dear Chair Todd, Vice Chair Takenouchi, and Honorable Members of the House Committee on Finance:

I am Gary Simon, a member of the board of the Hawai'i Family Caregiver Coalition, whose mission is to improve the quality of life of those who give and receive care by increasing community awareness of caregiver issues through continuing advocacy, education, and training. I am offering testimony on behalf of the Hawai'i Family Caregiver Coalition.

The Hawai'i Family Caregiver Coalition strongly supports HB 2360 HD 1, which requires the Department of Labor and Industrial Relations to establish a family and medical leave insurance program and begin collecting payroll contributions to finance payment of benefits by January 1, 2029; requires the Department to begin receiving claims and paying benefits under the program by January 1, 2030; specifies eligibility requirements and employee protections under the program; and excludes paid family and medical leave benefits from income tax.

Up to 40 percent of people in the workforce are not eligible for leave under the Family Medical Leave Act — and many cannot afford to take unpaid leave. Lack of paid family leave can lead to financial strain and negative workplace impacts for caregivers. Paid leave programs result in better health outcomes and lower overall health care system costs.

We urge you to support paid family leave and HB 2360 HD 1, and we urge you to recommend its passage.

Mahalo for seriously considering the bill.

Very sincerely,

Gary Simon

Hawai'i Family Caregiver Coalition

Email garysimon@hawaii.rr.com

HB-2360-HD-1

Submitted on: 2/24/2026 7:54:15 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Beth Anderson	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

Many workers in Hawaii cannot take off from work to care for a new child or a family member with a serious illness or injury without giving up pay. This is a serious problem for these workers. They cannot even take off work if they are ill without losing wages.

Paid Family and Medical Leave keeps **families healthy, workers financially stable, and communities strong and is so needed.**

Mahalo for supporting HB 2360 and supporting our families and workers.

HB-2360-HD-1

Submitted on: 2/24/2026 8:06:49 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Molly Mamaril	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

Mahalo for putting families first!

Molly Mamaril

Kaimukī, O'ahu

HB-2360-HD-1

Submitted on: 2/24/2026 8:27:26 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kami Yamamoto	Hawai'i Workers Center	Support	Written Testimony Only

Comments:

Aloha Chair & Vice Chair,

I strongly support HB2360. At HWC, we organize low-wage earners in restaurants, care homes, and other industries are already living paycheck to paycheck -- adding days or weeks without pay due to a family member's medical situation only exacerbates this problem, and the outcome is a brutal effect for the working class.

We recently came across a young worker, who had to leave his work as a mechanic to become the primary caretaker for his grandpa who required 24/7 care.

Paid family and medical leave allows workers to care for their families without sacrificing financial stability. We urge the passage of this bill to put Hawai'i's families first.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau

P.O. BOX 259

HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1540

FAX NO: (808) 587-1560

GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 2360, H.D.1, Relating to Paid Family Leave

BEFORE THE:

House Committee on Finance

DATE: Thursday, February 26, 2026
TIME: 10:00 a.m.
LOCATION: State Capitol, Conference Room 308

Chair Todd, Vice-Chair Takenouchi, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 2360, H.D.1, for your consideration.

H.B. 2360, H.D.1, requires, by January 1, 2029, that the Department of Labor and Industrial Relations (DLIR) establish a family and medical leave insurance program and begin collecting payroll contributions to finance the payment of benefits. By January 1, 2030, DLIR is to begin receiving claims and paying benefits under the program. The bill also specifies eligibility requirements and employee protections under the program.

Part I, section 1 of the bill amends the Hawaii Revised Statutes (HRS) by adding a new chapter establishing the paid family and medical leave insurance program. New section __-15(a)-(b) provides that DLIR will advise covered individuals of the federal income tax implications of filing a new claim for such benefits and further provides, on page 29, that “[f]amily leave insurance benefits and medical leave insurance benefits under this chapter shall not be subject to state income tax.”

Part II, section 3 of the bill amends chapter 235-7(a), HRS, by adding a new paragraph (13) that excludes family and medical leave insurance benefits paid under the new chapter from gross income, adjusted gross income, and taxable income for

purposes of State income tax.

The bill has a defective effective date of July 1, 3000, except parts II, III, and IV, which take effect on the earlier of January 1, 2030, or the start of DLIR receiving claims and paying insurance benefits under the new chapter.

If the bill were to take effect on July 1, 2026, as initially proposed, DOTAX estimates the expected revenue loss as follows:

General Fund Impact (\$ millions):

FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
-	-	-	-	-\$4.4	-\$4.4

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

HB-2360-HD-1

Submitted on: 2/24/2026 8:39:53 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Erin Vierra-Villanueva	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

Our family struggled financially during these past 10 years due to taking care of multiple medically fragile family members. My father was diagnosed with stage 4 prostate cancer 10 years ago and endured extensive and rigorous medical treatments that lead my siblings to change jobs and me to use FMLA and take unpaid leave in order to care for him. Another round of added hardship happened four years ago with the preterm birth of my son at 25 weeks gestation. I gave birth to a micropremie baby weighing 1 pound and he was admitted and stayed in the NICU for the first 6 months of his life and for the next 3 years needed PT, OT, speech therapy, Early Intervention and other rehab service supports to help him grow.

Having to care for a sick parent and sick child at the same time was devastatingly hard. I don't wish on anyone. We were depleted in every sense. We lost income, jobs, had to move out of our apartment and in with family. Along with the rising costs of living had caused us to grow deeper in debt and eventually we couldn't keep up and had to file for bankruptcy. It has been 4 years since and we are still trying to recover financially and get back some stability.

Paid Family and Medical Leave would have been a safety net that I wish we had. That all families deserve and that are offered in other countries around the world. It's time we have this in Hawai'i too, one of the most expensive places to live.

Mahalo for putting families first!

Erin Vierra-Villanueva

HB-2360-HD-1

Submitted on: 2/24/2026 8:55:02 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mishka Sulva	Individual	Support	Written Testimony Only

Comments:

We absolutely need a paid family leave program in Hawaii. Our ohana deserves it and we can make it happen. Let's join the civilized world and provide this basic, but essential benefit for our people.

To: House Committee on Finance
Re: **HB2360 HD1 – Relating to Paid Family Leave**
Hawai'i State Capitol & Via Videoconference
February 26, 2026, 10:00 AM

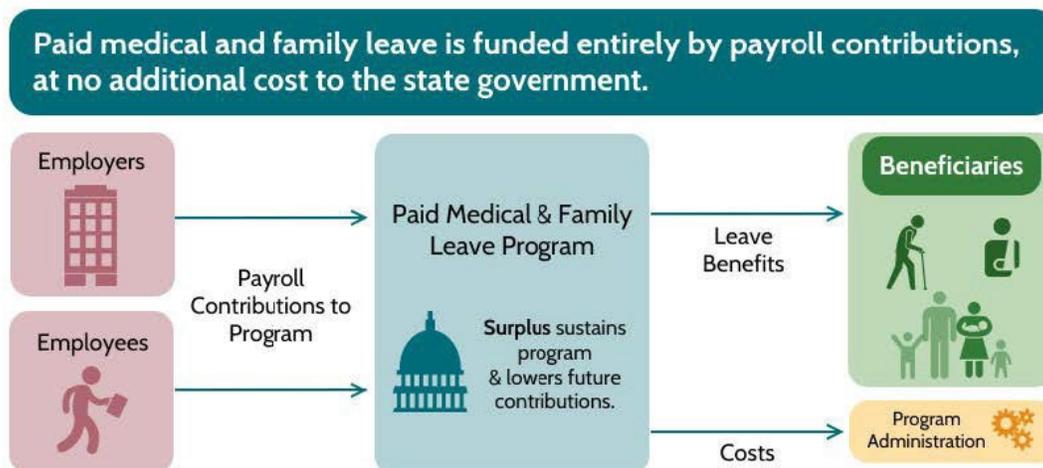
Dear Chair Todd, Vice Chair Takenouchi, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB2360 HD1**. This bill requires the Department of Labor and Industrial Relations (DLIR) to establish a family and medical leave insurance program, begin collecting payroll contributions to finance payment of benefits, and begin receiving claims and paying benefits under the program by certain dates. It also specifies eligibility requirements and employee protections under the program.

Paid family leave allows **workers to take time off and still receive part of their income** when they need to care for their own serious health needs or those of a loved one, or to bond with a new child.

The United States is the only developed country without national paid family leave.¹ The average amount of paid family leave in OECD nations is about one year. **To fill that gap, thirteen states plus the District of Columbia have passed paid family leave laws.**² California was the first state to pass paid family leave, about 20 years ago. Hawai'i should join them.

This chart shows how a statewide paid family and medical leave program works:³



A statewide paid family leave program would be financed by small payroll deductions that go into a state fund, which workers would apply to when they need leave. **Since employees would be paid from the state fund while taking leave, employers would not need to pay them while they are on leave.**

¹ <https://bipartisanpolicy.org/explainer/paid-family-leave-across-oecd-countries/>

² <https://bipartisanpolicy.org/explainer/state-paid-family-leave-laws-across-the-u-s/>

³ "Analysis Model of Paid Family & Medical Leave Programs in Hawaii," December 18, 2024, Prenatal to 3 Policy Impact Center, Vanderbilt University, Nashville, TN

A paid family and medical leave program would include:

- Parental leave – for parents, including fathers and adoptive parents, to bond with a new child
- Medical leave – for a worker to recover from their own serious illness or injury
- Caregiving leave – for a worker to care for a family member with a serious health condition.
- Deployment leave – to handle arrangements for military service
- Safe leave⁴ – to deal with domestic violence, such as seeking a restraining order or relocating.

Employers could choose to cover all of the payroll deductions, just as some employers choose to cover all of their employees' health insurance premiums. The bill places a cap on the portion of the premiums that employees would pay, at 50%. It is likely that most employers and employees would split the payroll deductions 50/50, which is how Social Security and Medicare are financed.

Employers with fewer than 30 employees would pay only half of the standard percent of payroll, and they could ask their employees to cover the entire contribution. Self-employed workers could opt into the program, and they would pay only half of the standard level as well.

Employers also would no longer need to purchase and administer private Temporary Disability Insurance (TDI) for their employees (since employees' own illness or injury would be covered by the medical leave in the program), saving them time, administrative burdens, and money.

Vanderbilt University researchers recently analyzed the language of this bill and determined that it would require **0.7% of payroll to provide worker benefits as well as cover DLIR's costs of administration** of the program.⁵ Anecdotally, we have found that employers are currently paying about 0.5% for TDI, which they would no longer need to pay if this bill became law.

In other words, employers would pay between 0.35% and 0.7% of payroll for the much more robust benefits of a paid family and medical leave program, while no longer needing to pay about 0.5% for TDI.

How would paid family leave work in Hawai'i?

- Employers currently pay **0.5%** of payroll for **TDI alone**
- A state-run **PFL program** would cost **0.7%** of payroll
- Employers could cover the cost of PFL premiums or have their employees to pay up to half
- The state's administration costs are included in the 0.7%

Paid leave helps children by helping their parents. Research has found that states with paid family leave have seen significant **health, social and economic benefits**.⁶ Families who have access to paid leave – especially working women – are healthier, more economically secure, more likely to stay in the workforce, and **less likely to need public benefits**.

⁴ <https://www.americanprogress.org/article/the-state-of-paid-family-and-medical-leave-in-the-u-s-in-2023/>

⁵ Prenatal to 3 Policy Impact Center, op.cit.

⁶ https://www.abetterbalance.org/wp-content/uploads/2021/09/PFML_Health-Case_Fact-Sheet_11.30.21.pdf

This bill would provide up to **12 weeks** of parental, caregiving, deployment or safe leave per year. It would also provide up to **26 weeks** of medical leave, which is the same amount of leave that Hawaii workers currently are eligible for under Hawaii's Temporary Disability Insurance law.⁷

The wage replacement rates in this bill are as 90 percent of pay for workers earning less than 50 percent of the state average weekly wage (SAWW), 75 percent of pay for those earning between 50 and 100 percent of the SAWW, and 50 percent of pay for those earning at least 100 percent of the SAWW.

That means that a minimum wage worker would pay less than \$2 per week into the program (assuming that their employer matches that amount) and receive \$504 per week in benefits. And average wage worker, earning about \$62,000 per year, would pay a little over \$4 per week and receive \$930 per week in benefits.⁸

<i>A worker earning:</i>	<i>Would pay:</i>	<i>And receive:</i>
Minimum wage (\$29,000 per year)	\$102 per year	\$504 per week
Average wage (\$62,000 per year)	\$217 per year	\$930 per week
	<i>in premiums</i>	<i>in benefits</i>

Paid family leave is good for business. According to research that looks at how paid family leave works in other states,⁹ employees with paid family leave are more productive, which can help increase profits, and loyal, which lowers turnover costs.

This bill would help even the playing field for small businesses by requiring those with fewer than 30 employees to cover only half of the premium cost. Enabling small businesses to provide paid family leave through a state program helps them compete for the best workers. Not surprisingly, recent surveys show that two-thirds of small business owners support paid family leave.¹⁰

Similarly, as Hawaii struggles to keep our working-age families from moving away, we are competing with states that have paid family leave – including the entire West Coast – for the best workers. **In 2023, more than 25,000 residents of Hawai'i moved to states that have passed paid leave laws.**¹¹ Surveys find that paid family leave is an important deciding factor for young couples when deciding where to start a family.

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Nicole Woo
Director of Research and Economic Policy

⁷ https://www.capitol.hawaii.gov/hrscurrent/Vol07_Ch0346-0398/HRS0392/HRS_0392-0023.htm

⁸ Prenatal to 3 Policy Impact Center, op.cit.

⁹ https://www.abetterbalance.org/wp-content/uploads/2021/09/PFML_Business-Case_Fact-Sheet_5.10.22.pdf

¹⁰ <https://smallbusinessmajority.org/our-research/small-businesses-support-bold-investments-child-care>

¹¹ <https://www.census.gov/data/tables/time-series/demo/geographic-mobility/state-to-state-migration.html>

HB-2360-HD-1

Submitted on: 2/24/2026 9:13:36 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
ANDREW ISODA	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I strongly support HB2360. Paid family and medical leave allows workers to care for their families without sacrificing financial stability. Hawai'i's families deserve policies that put 'ohana first.

Mahalo for putting families first!

*Andrew Isoda
Lahaina, Mau'i*

HB-2360-HD-1

Submitted on: 2/24/2026 9:45:14 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Deanna Espinas	Individual	Support	Written Testimony Only

Comments:

Testimony in strong support, because this bill creates a much needed statewide paid family & medical leave program.

HB-2360-HD-1

Submitted on: 2/24/2026 10:55:21 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Laverne Moore	Individual	Support	Written Testimony Only

Comments:

RE: Testimony in STRONG SUPPORT of HB 2360, HD1

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee

My name is Laverne Moore, and I am a retired teacher. I am writing to express my strong support for HB 2360 HD1, which seeks to establish a framework for a Paid Family and Medical Leave (PFML) program in Hawai'i.

As an educator who taught in a Title I school and served during the COVID-19 pandemic, I have seen the devastating impact the lack of paid leave has on our families and students. I witnessed many of my students miss weeks of instruction because they had to stay home to care for siblings or ailing grandparents. This happened because their parents worked in jobs without sick leave and could not afford to miss a paycheck.

For families living paycheck to paycheck, a single illness can lead to financial ruin. It is heartbreaking to see children's education sacrificed because our system forces parents to choose between their livelihood and their family's health.

HB 2360 HD1 is a vital step toward ensuring that no worker in Hawai'i has to make that impossible choice. Providing a mechanism for partial wage replacement during family medical events will support student attendance, protect family incomes, and promote health equity for our most vulnerable communities.

I urge you to pass HB 2360 to keep this critical discussion moving forward and to build a more supportive Hawai'i for all our families.

Mahalo,

Laverne Moore, Retired Teacher

HB-2360-HD-1

Submitted on: 2/25/2026 3:04:27 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Leilani Kailiawa	Individual	Support	Remotely Via Zoom

Comments:

Aloha Chair, Vice Chair and Committee members,

My name is Leilani Kailiawa and I am here in strong support of HB 2360 because I have lived this reality. Paid Family and Medical Leave allows workers to care for their families without sacrificing financial stability. Hawaii’s families deserve policies that put ohana first.

Nearly ten years ago, on March 7, my infant son was hospitalized in the Neonatal Intensive Care Unit at Kapiolani Medical Center for women and Children for long 7 months. I live on Hawaii Island, but my baby was on Oahu. I had to live on another island away from my husband and two older sons, who were 11 and 13 at that time.

There was no paid family leave. I made an impossible choice. I quit my job.

Families should never have to choose between financial survival and being present for a medically fragile child. Being by my son’s bedside was not optimal—it was essential to his healing, his development, and my role as a mother.

HB 2360 is about dignity. It’s about recognizing that caregiving is not a luxury—it is critical care. Paid Family and Medical Leave would ensure that families can show up for one another in moments of crisis without taking everything.

I urge you to please pass HB 2360, as no family has to make the sacrifice mine, did just to care for their child. Put OHana first.

Mahalo for listening and the opportunity to share my strong support of this bill HB 2360

With gratitude

Leilani Kailiawa

HB-2360-HD-1

Submitted on: 2/25/2026 7:56:57 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Joell Edwards	Individual	Support	Remotely Via Zoom

Comments:

Aloha Chair and Members of the Committee,

My name is Joell Edwards. I am a small business owner in Wainiha on the rural North Shore of Kaua'i and a member of the working group helping to shape Hawai'i's Paid Family and Medical Leave program. I write in strong support of HB2360 HD1.

Living on Kaua'i , healthcare and treatment can be difficult. When someone in our family faces a serious illness, we often must fly to O'ahu for treatment. That means airfare, lodging, time away from work, and coordinating care across islands. For many families here, medical crises are not just emotional — they are financially destabilizing.

Hawai'i already requires employers to provide Temporary Disability Insurance under Hawaii Temporary Disability Insurance Law. As small business owners, we already pay for TDI, and workers already contribute. But TDI only covers a worker's own non-work-related illness or injury. It does not cover bonding with a new child. It does not cover caring for a spouse undergoing cancer treatment on another island. It does not support caregiving for our kupuna.

That gap is felt deeply in rural communities.

HB2360 modernizes that structure. A paid family and medical leave program would include:

- **Parental leave** – for parents, including fathers and adoptive parents, to bond with a new child
- **Medical leave** – for a worker to recover from their own serious illness or injury
- **Caregiving leave** – for a worker to care for a family member with a serious health condition
- **Deployment leave** – to handle arrangements for military service
- **Safe leave** – to address domestic violence situations, such as seeking a restraining order or relocating

From a financing standpoint, employers could choose to cover all payroll deductions, just as some employers choose to cover health insurance premiums. The bill caps the employee contribution at 50%, and most would likely split contributions 50/50, similar to Social Security and Medicare. Employers with fewer than 30 employees would pay only half of the standard payroll percentage, and self-employed workers could opt in at that same reduced rate.

Importantly, employers would no longer need to purchase and administer private TDI policies, since an employee's own illness or injury would be covered under the medical leave portion of this program — reducing administrative burden and potentially saving small businesses money.

From where I sit as a rural small business owner, this is also about employee retention. When workers know they can step away to sit beside a hospital bed on O'ahu and return to their job, they stay. That stability matters deeply on neighbor islands, where workforce shortages are real and recruitment is difficult.

HB2360 reflects how Hawai'i families actually live — multigenerational, connected, and often separated by ocean when serious medical care is needed.

I respectfully urge you to pass HB2360 HD1.

Mahalo for your consideration.

HB-2360-HD-1

Submitted on: 2/25/2026 8:03:25 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
John Bickel	Individual	Support	Written Testimony Only

Comments:

Family Leave allows new parents to bond longer, improving child health/education outcomes. The American Academy of Pediatrics supports PFML. As a teacher, I believe I benefit from parents who are with their newborn children. Please pass this bill. It is long overdue.

HB-2360-HD-1

Submitted on: 2/25/2026 8:18:36 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello Chair, Vice Chair, and Members of the Committee,

My name is Nanea Lo. I write in strong support of establishing a comprehensive Paid Family and Medical Leave (PFML) program in Hawai‘i.

Currently, only one in four private sector workers in the United States has access to paid family leave. Lower-income workers—disproportionately Native Hawaiian and Pacific Islander—are the least likely to have access to this benefit and the most likely to need it. Without paid leave, families are forced to choose between caring for loved ones and maintaining financial stability.

Fourteen jurisdictions—13 states and the District of Columbia—have already implemented Paid Family and Medical Leave programs. California has successfully operated its program for over 20 years, demonstrating that PFML is workable, sustainable, and beneficial to workers and businesses alike.

The evidence is clear:

- New parents who are able to bond longer with their infants see improved health and educational outcomes. The American Academy of Pediatrics supports Paid Family and Medical Leave for this reason.
- PFML reduces nursing home utilization. In California, nursing home use declined by 11% after implementation.
- Paid leave keeps workers—especially women—attached to the workforce and reduces reliance on public assistance programs.
- Businesses benefit. Firms in states with PFML have reported a 4.6% increase in revenue and a 6.8% increase in profits. Small businesses saw a 14% decrease in labor costs due to reduced turnover and increased productivity.

Here in Hawai‘i, more than 154,000 unpaid family caregivers provide an estimated \$2.6 billion in care annually. That is an enormous contribution to our economy that often comes at personal financial cost. In 2023 alone, more than 25,000 Hawai‘i residents moved to states that offer Paid Family and Medical Leave. Young families increasingly consider PFML when deciding where to live, and Generation Z ranks it as the number one workplace benefit.

A Hawai‘i PFML program would be:

- A state-run insurance benefit funded through small payroll deductions into a trust fund.
- Workers would apply to the fund for partial income replacement during leave.
- Employers would not pay wages during leave—the trust fund would.
- The program would provide:
 - Up to 12 weeks of parental leave for bonding with a new child.
 - Up to 12 weeks of caregiving leave to care for a seriously ill family member.
 - Up to 26 weeks of medical leave for a worker’s own serious health condition.
 - Higher wage replacement rates for lower-income workers.
 - Job protection to ensure employees can return to their same position.

The cost is modest. A minimum wage worker would pay less than \$2 per week and receive approximately \$504 per week in benefits when needed. An average wage worker would pay about \$4 per week and receive roughly \$930 per week in benefits. The total deduction would be approximately 0.7% of wages—comparable to other states. Employers would no longer pay the separate 0.5% Temporary Disability Insurance premium and would save by not paying wages during leave.

No one should have to choose between caring for a loved one and earning a paycheck. Paid Family and Medical Leave is insurance—it is what we pool together so that no one faces life’s inevitable challenges alone.

The research is complete. The models are proven. The time for action in Hawai‘i is now.

me ke aloha ‘āina,

Nanea Lo, 96826

Carbon Cashback Hawai‘i Member

Hawai‘i Workers Center Board Member

Honolulu Tenants Union Member

Hawai‘i Tax Fairness Coalition

Clean Elections Hawai‘i Member

Feb. 26, 2026, 10 a.m.
Hawaii State Capitol
Conference Room 308 and Videoconference

To: House Committee on Finance
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

From: Ted Kefalas, Director of Strategic Campaigns
Grassroot Institute of Hawaii

RE: TESTIMONY OPPOSING HB2360 HD1 — RELATING TO PAID FAMILY LEAVE

Aloha chair, vice chair and other committee members,

The Grassroot Institute of Hawaii **opposes** [HB2360 HD1](#), which would establish a family leave insurance program funded by employer and employee contributions.

The idea of being able to take paid leave from work to care for a family member is certainly appealing, but decades of data demonstrate that such programs rarely live up to their promises and could even harm those they intend to help.

It is often assumed that family-leave policies will be especially helpful to female workers. However, research demonstrates that family-leave programs show no benefit to female workforce participation, and could even have a negative effect.

A study of the long-term effects of California's Paid Family Leave Act found that it did not help narrow the pay gap, and was instead associated with reduced employment and earnings for first-time mothers.¹

¹ Martha J. Bailey, Tanya S. Byker, Elena Patel, et al., "[The Long-Run Effects of California's Paid Family Leave Act on Women's Careers and Childbearing: New Evidence from a Regression Discontinuity Design and U.S. Tax Data](#)," National Bureau of Economic Research, October 2019.

A different study of maternity leave reform in the United Kingdom found that among highly educated workers, paid-leave programs tend to increase gender inequality, with fewer women holding management and promotion-track jobs, while lower-educated female workers were 10 percentage points less likely to receive a promotion than they were before the reforms were enacted.²

Furthermore, the benefits of paid-leave programs are not evenly distributed. Low-income workers are significantly less likely to take advantage of paid leave, making it little more than a government-subsidized leave program for well-paid workers.

In 2020, 18 million California workers paid into the state's family leave program and were eligible to take advantage of its benefits. However, only 14% of workers earning less than \$20,000 took paid leave, while workers earning \$80,000 to \$99,999 had a utilization rate four times higher than the lowest earners. Those making \$100,000 or more a year utilized paid leave three times as much as low-income workers.³

Family leave policies in San Francisco⁴ and New Jersey⁵ have seen similar results, with low-income families far less likely to utilize leave policies than higher-income earners.

Paid-leave programs also struggle with problems of cost. It is nearly impossible to properly evaluate the financial viability of the program proposed in this bill, as the full details regarding contributions are left to a later determination. However, there is a real risk of underestimating the full cost of the program, which could create a burden for the state budget and taxpayers.

The AEI-Brookings Working Group on Paid Family Leave analyzed the proposed federal FAMILY Act — which also relies on payroll contributions — and argued that the authors of the bill had severely underestimated the costs of the paid-leave program. Depending on take-up rates, the funding mechanism might have only covered half of the program's costs.⁶

Before embarking on an ambitious paid-leave program such as the one proposed by HB2360, lawmakers should demand a strict analysis of its financial impact on the state budget and the economy as a whole to ensure that the program would not become a fiscal nightmare.

² Jenna Stearns, [“The Long-Run Effects of Wage Replacement and Job Protection: Evidence from Two Maternity Leave Reforms in Great Britain.”](#) SSRN, May 7, 2018.

³ Kristin Schumacher, [“Paid Family Leave Payments Don't Add Up for California Workers.”](#) California Budget and Policy Center, February 2022.

⁴ Julia M. Goodman, William H. Dow and Holly Elser, [“Evaluating the San Francisco Paid Parental Leave Ordinance: Employer Perspectives.”](#) University of California at Berkeley, February 2019.

⁵ Amy Dunford, [“Boosting Families, Boosting the Economy: How to Improve New Jersey's Paid Family Leave Program.”](#) New Jersey Policy Perspective, April 2017.

⁶ [“Paid Family and Medical Leave: An Issue Whose Time Has Come.”](#) AEI-Brookings Working Group on Paid Family Leave, May 2017.

Finally, we must consider how this bill would affect Hawaii's business climate.

Because the proposed program is very broad, it would add to the cost of doing business in our state. Employers would have to compensate for the increased costs associated with the program, which could mean fewer jobs or stagnant wages.

If Hawaii workers knew that state-mandated family leave would equate to higher taxes or cause them to forgo raises or promotions, support for family leave probably would go down.

As attractive as the idea of paid leave might be, the negative tradeoffs that accompany family leave programs cannot be ignored.

Given the many questions raised by this bill, it seems clear that more analysis is needed of the potential effects and fiscal impact of mandatory paid family leave in Hawaii.

Thank you for the opportunity to submit our comments.

Sincerely,

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii



Testimony of Roger Dang
President of the Hawaii Energy Marketers Association (HEMA)

**OPPOSITION TO HB 2360 HD1
RELATING TO PAID FAMILY LEAVE**

House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair

Board of Directors

Roger Dang
President
Petro Pacific

John Peyton
First Vice President
Par Hawaii

Bob Hood
Immediate Past President
Aloha Petroleum LLC

Sayble Bissen
Maui Oil Company, Inc.

Kimo Haynes
Hawaii Petroleum, LLC

Annie Marszal
Lahaina Petroleum

Rebecca Namohala
Island Energy Services,
LLC

Alec McBarnet
Maui Oil Company, Inc.

Jon Mauer
Island Energy Services,
LLC

Steve Wetter
Hawaii Petroleum, LLC

Eric Wright
Par Hawaii

Thursday, February 26, 2026 – 10:00 a.m.
Conference Room 308 & Videoconference

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the
Committee:

I am Roger Dang, President of the Hawaii Energy Marketers Association (HEMA). HEMA is a nonprofit trade association comprised of members who market motor fuel products and operate convenience stores across the state.

While we appreciate the intent behind HB 2360 HD1 and recognize that employees may occasionally need time off for reasons beyond existing policies, HEMA respectfully *opposes* this measure.

Paid family and medical leave are already a component of many employers' benefit packages used to attract and retain employees. Hawai'i employers voluntarily offer these benefits based on their operational capacity and workforce needs.

Businesses across the state are facing significant financial pressures — rising operating costs, minimum wage increases, inflation, escalating health insurance premiums, and growing compliance obligations. Mandating extended paid family and medical leave would add substantial new costs for private employers, potentially jeopardizing business viability and employment opportunities for Hawai'i residents.

We also note that the Department of Labor and Industrial Relations (DLIR), in its interim report submitted pursuant to SCR 145, has not yet completed the foundational work needed to design such a program. DLIR is still “defining the scope of work for legal and actuarial consultants” and has not completed “an actuarial analysis of program costs, benefit structures, labor market feasibility, and implementation models.” Without this information, employers cannot assess the financial or administrative impact of a statewide mandate.

Retailers already navigate Hawai'i's Prepaid Health Care Act, Temporary Disability Insurance, and federal FMLA. Adding a new PFML mandate before the State has resolved legal, tax, and administrative questions introduces significant uncertainty into an already challenging business climate.

We recognize that HD1 excludes PFML benefits from state income tax and reinstates the Temporary Disability Insurance law. However, these changes do not address the core concern that PFML creates a new statewide mandate layered on top of existing employer obligations, increasing costs and administrative complexity for Hawai'i businesses.

Thank you for the opportunity to offer testimony in opposition.



aloha@pacificbirthcollective.org
pacificbirthcollective.org

‘Aloha ‘Āina Center
810 Kokomo Road # 240 & #170
Ha‘ikū, Hawai‘i 96708

PBC Board

February 24, 2026

Kiana Rowley
President

Aloha,

Makalani Franco-Francis
Vice President

Dear Chair and Members of the Committee:

Kristina Statler
Secretary

On behalf of the Pacific Birth Collective, I submit testimony in strong **support of HB 2360 HD1** to establish a Paid Family and Medical Leave (PFML) program in Hawai‘i. Enacting PFML would demonstrate our state’s commitment to supporting ‘ohana, strengthening workforce stability, and improving health outcomes for families.

Becky Lind
Treasurer

Wyonette Waller

Every day, we serve pregnant and postpartum families navigating the critical transition into parenthood. Many parents return to work far sooner than medically recommended because they cannot afford to lose income. Others delay necessary medical care or struggle to care for ill family members due to financial pressures. Without paid leave, families are forced to choose between their health and their livelihood.

PBC Executive Team

Morea Mendoza
Director of Leadership & Operations

Paid Family and Medical Leave allows workers to take time away from employment while receiving a portion of their wages to care for a new child, recover from childbirth, address serious health needs, or care for an ill loved one. This benefit promotes economic resilience by reducing reliance on public assistance and preventing families from falling into financial crisis.

Sara Cousineau
Director of Finance

Mariah Strong
Director of Programs & Communications

Although some assume leave protections already exist, the federal Family and Medical Leave Act and the Hawai‘i Family Leave Law only guarantee unpaid leave and apply primarily to employees of larger companies. Many workers—especially those in small businesses, service industries, and rural communities—are left without meaningful access to time off.

Ki‘i Kaho‘ohanohano
Director of Culture and Outreach

Sonya Niess, MPH
Director of Policy & Partnerships

Research from states that have implemented paid leave shows improved maternal recovery, increased breastfeeding duration, stronger parent–infant bonding, and better long-term child health outcomes. Paid leave also supports businesses through improved employee retention, reduced turnover costs, and a more stable workforce.

Hawai‘i prides itself on caring for families and honoring the values of kuleana and mālama. Establishing PFML is a practical and compassionate step toward ensuring that no family must sacrifice health or financial stability during life’s most vulnerable moments.

Mahalo for your leadership and for considering this vital investment in the wellbeing of Hawai‘i’s families. We respectfully urge your support of HB 2360.

Sincerely,
Kiana Rowley, Board President
Pacific Birth Collective



The House Committee on Finance
February 26, 2026
Room 308
10:00 AM

RE: **HB 2360 HD1, Relating to Paid Family Leave**

Attention: Chair Chris Todd, Vice Chair Jenna Takenouchi, Members of the
Committee

The University of Hawaii Professional Assembly (UHPA), the exclusive bargaining representative for all University of Hawai'i faculty members across Hawai'i's statewide 10-campus system, **supports the intent of HB 2360 HD1** to establish a Paid Family and Medical Leave program. However, we maintain our strong position that **funding for this program should be the sole responsibility of the employer.**

Our faculty members have consistently expressed a strong desire for paid family leave benefits that exist outside of their accrued sick and vacation time. Currently, under our collective bargaining agreement, faculty are entitled to unpaid family leave and must deplete their accumulated sick leave or vacation to maintain their income during these periods. This requirement imposes a significant long-term financial penalty on our members because any unused sick leave is converted into service credit within the Employees' Retirement System upon retirement. Consequently, faculty members are currently forced to sacrifice their future retirement security to provide necessary care for their families today.

While we acknowledge that HB 2360 HD1 includes a positive amendment to exempt these benefits from state income tax, the measure still retains the provision in Section -6 authorizing employers to deduct up to fifty percent of the premium cost directly from employee wages. Requiring public employees to pay payroll premiums to access this benefit simply exchanges one financial penalty—the loss of retirement service credit—for another in the form of an immediate reduction in take-home pay.

We believe that paid family leave should be treated as a standard condition of employment necessary to recruit and retain high-quality talent, and the cost should be borne entirely by the employer. We urge the committee to **further amend HB 2360 HD1 to require that the employer be responsible for 100% of the required contribution.**

Respectfully submitted,

Christian L. Fern
Executive Director
University of Hawaii Professional Assembly

University of Hawaii
Professional Assembly

1017 Palm Drive ♦ Honolulu, Hawaii 96814-1928
Telephone: (808) 593-2157 ♦ Facsimile: (808) 593-2160
Website: www.uhpa.org



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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

The Thirty-Third Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

February 26, 2026

H.B. 2360, H.D. 1 — RELATING TO PAID FAMILY LEAVE

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports H.B. 2360, H.D. 1, which requires the Department of Labor and Industrial Relations to establish and administer a family and medical leave insurance program.

While the Federal Family and Medical Leave Act allows employees up to 12 weeks of unpaid family leave each year, many employees cannot afford to survive without compensation for that long and are forced with a hard choice: take much needed time to care for yourself, your child or family member, or return to work. Paid Family and Medical Leave is a twenty-first century workforce benefit that can allow employees personal and professional flexibility, based on their personal circumstance.

As Hawaii's largest union with 35,000 active and retiree members, we recognize more than anyone that each member has different needs based on their financial circumstances, personal health, and level of family care. We appreciate the language in this measure which allows public employees to decide for themselves on whether this program would match their circumstances. We trust that some public employees will choose to pay and enjoy the benefits of this program, while others may elect to not opt-in due to the financial burden it may impose and/or the lack of need of this program. **If this bill continues to move forward, we respectfully request that the language which would allow a public employee to opt-in to this program remains.**

Thank you for the opportunity to provide testimony in support of H.B 2360, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director

HB-2360-HD-1

Submitted on: 2/25/2026 9:15:22 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Greg and Pat Farstrup	Individual	Support	Written Testimony Only

Comments:

Kū i ka pono!

HB-2360-HD-1

Submitted on: 2/25/2026 9:19:44 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
John A. H. Tomoso	Individual	Support	Written Testimony Only

Comments:

RE: HB2360 HD1

Aloha

This Bill would create a statewide paid family & medical leave (PFML) program so workers can care for a new baby, support a sick loved one, or take care of their own health — without going without income or losing their job. No family should have to choose between a paycheck and caring for their ‘ohana! I am concerned that

- Only 1 in 4 private sector workers has access to paid family leave.
- Lower-income workers—disproportionately Native Hawaiian and Pacific Islander—are least likely to have this benefit and most likely to need it.

I know that 13 states + D.C. have PFML;with California's program is 20 years old. I would like to see Hawai'i added to this list.

Mahalo

John A. H. Tomoso+, MSW, ACSW

51 Ku'ula St, Kahului, Maui, HI 96732-2906

john.a.h.tomoso@gmail.com\



JOSH GREEN, M. D.
GOVERNOR
KE KIA'ĀINA

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA

BRENNA H. HASHIMOTO
DIRECTOR
KA LUNA HO'OKELE

BRIAN K. FURUTO
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
KA 'OIHANA HO'OMŌHALA LIMAHANA
235 S. BERETANIA STREET
HONOLULU, HAWAII 96813-2437

Statement of
BRENNA H. HASHIMOTO
Director, Department of Human Resources Development

Before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 26, 2026
10:00AM
State Capitol, Conference Room 308

In consideration of
HB2360 HD1, RELATING TO PAID FAMILY LEAVE

Chair Todd, Vice Chair Takenouchi, and members of the committee:

The Department of Human Resources Development (HRD) supports the intent of HB2360 HD1.

The purpose of HB2360 HD1 is to:

1. Require the Department of Labor and Industrial Relations to establish a family and medical leave insurance program and begin collecting payroll contributions to finance payment of benefits.
2. Require the Department of Labor and Industrial Relations to start receiving claims and paying benefits under the program.
3. Repeals Subpart B of part VI of Chapter 378, Hawaii Revised Statutes, relating to Victims Leave.

HRD is concerned about the potential cost to the state but defers to the Department of Budget and Finance on the actual costs and impacts that this measure will have on public services. Accordingly, we respectfully request an amendment to remove public employees as applicable.

As part of the working group that was created last session, HRD understands the need for the private sector to have a family and medical leave insurance program. We do have concerns, however, regarding the inclusion of public sector employees. Hawaii's public sector employers already offer a generous benefits package for its employees and adding costs to augment this package may have an adverse impact on government operations.

The benefits package for most public sector employees includes the following:

- Employees accrue up to fourteen (14) hours per month of sick and vacation leave; sick leave accrual is uncapped, and vacation leave may accrue up to 720 hours (90 days).
- Chapter 398, HRS, known as the Hawaii Family Leave law (HFLL) provides four (4) weeks of unpaid, job-protected leave, during which accrued sick leave may be used to care for a family member, subject to a fifteen (15)-day minimum balance requirement.
- Eligible employees are entitled to up to twelve (12) weeks of unpaid, job-protected leave under the federal Family and Medical Leave Act (FMLA), during which accrued vacation leave may be used to care for others, or for their own serious health condition. During this time, employees may substitute accrued paid sick leave for their own recovery and vacation leave may be used with approval.

The bill would provide up to twelve (12) weeks of paid family leave and 26 weeks of paid medical leave, with HFLL and FMLA leave running concurrently, potentially granting employees up to fourteen (14) additional weeks of leave.

We are available to answer any questions or provide further information as needed.

HB-2360-HD-1

Submitted on: 2/25/2026 9:24:45 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Younghee Overly	Individual	Support	Written Testimony Only

Comments:

Thank you for this opportunity to support HB2360 HD1. Paid family and medical leave would allow workers in Hawai'i to care for their 'ohana while maintaining job security.

When I had my son almost three decades ago, my employer provided 16 weeks of PFML, helping me care for and bond with my son. When my nephew and niece-in-law had their daughter three years ago, their employers were required by the state of Massachusetts to provide 12 weeks of PFML. My nephew took 4 months off, his vacation and PFML, helping him care for and bond with their daughter. I witnessed the deep bond and trusting interactions between my nephew and his daughter when I visited a year ago. This is 'ohana.

No one should have to choose between caring for their family and keeping their job. Please pass HB2360 HD1 and thank you for your consideration.

Younghee Overly, a member of AAUW of Hawai'i



Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair
Committee on Finance

Thursday, February 26, 2026
10:00AM Conference Room 308

RE: HB2360 HD1 - Paid Family and Medical Leave - Strong Support

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

On behalf of the Chamber of Sustainable Commerce (CSC), we respectfully submit testimony in strong support of HB2360 HD1, which establishes a statewide Paid Family and Medical Leave (PFML) insurance program within the Department of Labor and Industrial Relations.

The Chamber represents more than 580 small businesses, sole proprietors, and entrepreneurs across Hawai'i committed to a triple bottom line: people, planet, and prosperity. We view paid family and medical leave is essential infrastructure for a healthy, resilient economy. HB2360HD1 allows workers to care for a new child, an aging parent, a seriously ill family member, or their own health without risking financial instability or job loss. This stability strengthens families, workplaces, and the broader economy.

HB2360 HD1 creates a structured, shared insurance model with phased implementation (contributions beginning in 2029 and benefits payable in 2030), a dedicated trust fund, annual reporting, and clear administrative rulemaking. The graduated wage replacement formula ensures that lower-wage workers receive stronger income protection, while capping benefits at the state average weekly wage for fiscal sustainability.

Importantly, the bill recognizes Hawai'i's diverse families by expanding the definition of family member and allowing designation of one additional person per benefit year. This reflects the cultural realities of our multi-generational communities.

A statewide insurance pool reduces turnover, improves retention, and protects employers, particularly small businesses, from the sudden loss of skilled workers who must otherwise exit the workforce entirely due to caregiving or medical crises. A shared insurance model, as proposed in this bill, creates a predictable and equitable system that benefits both employers and employees.

www.ChamberofSustainableCommerce.org

Hawaii Legislative Council Members

Joell Edwards
Wainiha Country Market
Hanalei

Russell Ruderman
Island Naturals
Hilo/Kona

Dr. Andrew Johnson
Niko Niko Family Dentistry
Honolulu

Robert H. Pahia
Hawaii Taro Farm
Wailuku

Maile Meyer
Honolulu

Tina Wildberger
Kihei Ice
Kihei

L. Malu Shizue Miki
Abundant Life Natural Foods
Hilo

Chamber of
Sustainable Commerce
808.445.7606
P.O. Box 22394
Honolulu, HI 96823

The bill also appropriately scales employer contributions – with smaller employers contributing a reduced share – and allows elective participation for self-employed individuals, ensuring flexibility while broadening access.

In a state with one of the highest costs of living in the nation, no worker should be forced to choose between caring for a newborn, recovering from surgery, or supporting an aging parent and keeping a paycheck.

A resilient economy depends on stable families, healthy workers, and predictable systems for employers. HB2360 HD1 is a prudent, long-term investment in Hawai'i's workforce and economic sustainability.

Thank you for your time and consideration.

www.ChamberOfSustainableCommerce.org

HB-2360-HD-1

Submitted on: 2/25/2026 9:48:42 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Nelson	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Elizabeth Nelson, retired nurse and I ask you to support this important bill. This bill would create a statewide paid family and medical leave so workers can care for a new baby, support a sick loved one, or take care of their own health- without losing their own job.

I appreciate your support.

Elizabeth Nelson

Kaneohe

HB-2360-HD-1

Submitted on: 2/25/2026 9:50:22 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Anamalia Su'esu'e	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members,

I am writing in support of HB2360 HD1. Paid family and medical leave would allow workers in Hawai'i to care for their 'ohana while maintaining job security.

As a mother of 3 children, I know how limited the current policies surrounding paid leave can be. With our oldest, my husband could only have time off for two weeks without risking his job and our only source of income at the time. Though I know that is more than most get with their spouse, I also know that is drastically **LESS** time than other nations give their new parents. I desperately needed his support at the time and I should have received it.

If we care about the health and well-being of our mothers and children, we need to pay better attention to the needs of the postpartum period.

Paid leave is also critical for families who have to take care of our elders or our sick. When my father was diagnosed with cancer and could no longer work, our family made the necessary changes to support him. However, some of our schedules were more flexible than others. Even when my father was eventually put in home hospice care, some of my family members were still having a hard time getting time off to care for and be with him. This was such an incredibly difficult time I couldn't believe we still had to negotiate work arrangements through it all.

No one should have to choose between caring for their family and keeping their job. Please pass HB2360 HD1 and put 'ohana first.

Mahalo,

Ana Su'esu'e

Volcano, 96785



TESTIMONY IN SUPPORT OF HB2360 HD1

RELATING TO PAID FAMILY LEAVE

Ke Kōmike Hale o ka ‘Oihana ‘Imi Kālā
(House Committee on Finance)

Ke Kapitala ‘o Hawai‘i
(Hawai‘i State Capitol)

February 26, 2026

10:00 AM

Room 308

Aloha e Chair Todd, Vice Chair Takenouchi and Members of the Committee on Finance:

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB2360 HD1**, which establishes a statewide Paid Family and Medical Leave Insurance Program administered by the Department of Labor and Industrial Relations (DLIR). By creating wage replacement for caregiving, childbirth, serious health conditions, and related family needs, this measure reflects Hawai‘i’s ‘ohana-centered values and strengthens economic stability for working families.

Hawai‘i’s Current Gap

Hawai‘i’s existing Family Leave Law provides limited unpaid leave and applies only to employers with 100 or more employees, leaving many workers without access to job-protected time off.¹ Federal unpaid leave under the Family and Medical Leave Act (FMLA) is similarly limited by employer size and work-hour thresholds.² As a result, access to paid leave in Hawai‘i remains largely dependent on employer discretion.

¹ Hawai‘i Revised Statutes § 398-1 et seq.; Hawai‘i Department of Labor and Industrial Relations, Wage Standards Division, “Hawai‘i Family Leave Law,” <https://labor.hawaii.gov/wsd/hawaii-family-leave/> (last accessed February 24, 2026)

² Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; U.S. Department of Labor, Wage and Hour Division, “Fact Sheet #28: The Family and Medical Leave Act,” revised 2023. <https://www.dol.gov/agencies/whd/fact-sheets/28-fmla#:~:text=ABOUT%20THE%20FMLA&text=Eligible%20employees:%20Employ>

Recent Hawai‘i-specific data underscore the scope of unmet need. A 2026 fact sheet estimates that approximately 73% of Hawai‘i workers (over 500,000 individuals) lack paid family leave through their employers, and nearly 69% of Hawai‘i workers are not eligible for unpaid FMLA protections.³ In a high cost-of-living state, like Hawai‘i, even brief unpaid leave can destabilize households.

Financial vulnerability remains widespread. According to the 2024 ALICE (Asset Limited, Income Constrained, Employed) Report for Hawai‘i, a substantial portion of working households earn above the federal poverty level yet still cannot consistently afford basic necessities such as housing, food, transportation, and health care.⁴ For these families, wage replacement during caregiving or medical leave can prevent cascading hardship.

Alignment with Native Hawaiian Well-Being

Paid family leave directly advances Native Hawaiian well-being. OHA’s *Haumea Report* identified interconnected disparities affecting Native Hawaiian wāhine, including wage gaps, health inequities, and caregiving burdens.⁵ Strengthening family caregiving infrastructure addresses these disparities at their root.

Furthermore, community support in Hawai‘i is strong. A 2024 statewide resident survey found broad bipartisan support for establishing paid family and medical leave, including support for shared payroll contributions to sustain the program.⁶

[ees%20are%20eligible,50%20employees%20within%2075%20miles](#). (last accessed February 24, 2026)

³ National Partnership for Women & Families, *Paid Leave Means a Stronger Hawai‘i* (Fact Sheet, February 2023). <https://nationalpartnership.org/wp-content/uploads/2023/04/paid-leave-means-a-stronger-hawaii.pdf> (last accessed February 24, 2026)

⁴ Aloha United Way and United for ALICE, *ALICE in Hawai‘i: A Study of Financial Hardship* (2024 Update Report). <https://www.auw.org/auw-alice-report-2024/> (last accessed February 24, 2026)

⁵ Office of Hawaiian Affairs, *Haumea: Transforming the Health of Native Hawaiian Women and Empowering Wāhine Well-Being* (Honolulu: Office of Hawaiian Affairs, 2018).

⁶ Good Beginnings Alliance and Hawai‘i Children’s Action Network, *Paid Family Leave Hawai‘i Resident Survey Highlights Report* (2024). https://www.hawaii-can.org/paid_family_leave (last accessed February 24, 2026)

OHA's Employment Practice

OHA has already implemented Paid Family Leave for its own employees, currently providing up to twelve weeks of paid family leave within a rolling 12-month period.⁷ Accordingly, **HB2360 HD1** aligns with this existing practice by extending similar protections statewide. Importantly, Native Hawaiians work across all industries, not solely in public or nonprofit sectors that may already offer paid leave. A statewide social insurance program ensures that access does not depend on employer size or resources.

Conclusion

HB2360 HD1 establishes a balanced, insurance-based model that includes progressive wage replacement, employment protections, anti-retaliation safeguards, and shared payroll contributions. In doing so, it recognizes caregiving as essential work that sustains Hawai'i's families and economy.

For these reasons, OHA respectfully urges the Committee to **PASS HB2360 HD1**. Mahalo for the opportunity to testify.

⁷ Office of Hawaiian Affairs, "Employee Benefits Overview," <https://www.oha.org/jobs/>.

Chair
JENNIFER STOTTER

Commissioners
EDIE IGNACIO NEUMILLER | STACEY MONIZ
ROSE MEDINA KEMNA | MELISSA SOTELO

Executive Director
LLASMIN CHAINE



February 24, 2026

Position: **SUPPORT** of **HB2360 HD1**, Relating to Paid Family Leave

To: Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

From: Llasmin Chaine, LSW, Executive Director, Hawaii State Commission on the Status of Women

Re: Testimony in SUPPORT of HB2360 HD1, Relating to Paid Family Leave

Hearing: Thursday, February 26, 2026, 10:00 a.m.
Conference Room 308, State Capitol

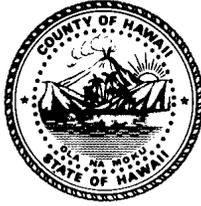
The Hawaii State Commission on the Status of Women is dedicated to advancing gender equity and supporting the economic security of women and families in Hawaii. The Commission **supports HB2360 HD1**, as it proposes the establishment of a statewide family and medical leave insurance program that would provide critical support to workers during times of family or medical need.

Access to paid family and medical leave is a proven tool for promoting workforce participation, reducing gender disparities, and supporting family well-being. Women, and particularly mothers, are disproportionately impacted by the lack of paid leave, often facing difficult choices between caregiving responsibilities and economic stability. By establishing an insurance program funded through payroll contributions, this bill offers a sustainable model that can help ensure all workers, regardless of income or employer size, have access to essential leave benefits.

We appreciate the Legislature's support of this measure as it is a meaningful step toward a more equitable and family-friendly Hawaii. The Commission urges this Committee to **pass HB2360 HD1**, allowing workers to care for their families without sacrificing financial stability.

Thank you for this opportunity to submit testimony.

Jennifer Kagiwada
Council Member District 2 South Hilo



Office: (808) 961-8272
jennifer.kagiwada@hawaiicounty.gov

HAWAI'I COUNTY COUNCIL - DISTRICT 2

25 Aupuni Street • Hilo, Hawai'i 96720

DATE: February 25, 2026
TO: House Committee on Finance
FROM: Jennifer Kagiwada, Council Member
Council District 2
SUBJECT: HB2360

Aloha Chair Todd, Vice Chair Takenouchi, and esteemed Committee Members,

I write in strong support of HB2360. In Hawai'i, too many people are forced to choose between their paycheck and their health, safety, or family. With one of the highest costs of living in the country, most residents cannot afford to miss even one paycheck without risking rent, food, and other basic necessities.

This bill is important because emergencies do not wait for the "right time." No one should be financially punished for needing time to recover from illness, care for a loved one, or escape an unsafe situation. HB2360 protects working people in our community, strengthens families, and supports the overall safety and stability of Hawai'i. It ensures residents are not forced to choose between survival and doing what is necessary during a crisis.

Mahalo,

A handwritten signature in black ink, appearing to read "Jenn Kagiwada".

Jenn Kagiwada



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

SETH S. COLBY, Ph.D.
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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

WRITTEN ONLY

TESTIMONY BY SETH S. COLBY, Ph.D.
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2360, H.D. 1

**February 26, 2026
10:00 a.m.
Room 308 and Videoconference**

RELATING TO PAID FAMILY LEAVE

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 2360, H.D. 1: 1) adds a new chapter in the HRS to create a new Family and Medical Leave Insurance Program (FMLIP) to be administered by the Department of Labor and Industrial Relations (DLIR); 2) requires DLIR to establish the FMLIP and begin collecting payroll contributions to finance payment of benefits by January 1, 2029; 3) requires DLIR to begin receiving claims and paying benefits under the program by January 1, 2030; 4) specifies eligibility requirements and employee protections under the FMLIP; 5) excludes paid family and medical leave benefits from income tax; 6) establishes the Family and Medical Leave Trust Fund (FMLTF) to be administered by DLIR; 7) appropriates an undetermined amount of general funds for FY 27 for deposit into the FMLTF; and 8) appropriates an undetermined amount of trust funds out of the FMLTF for FY 27 for start-up costs for the FMLIP.

B&F has concerns regarding the State cost and feasibility of this measure because it requires an unknown amount of employer contributions and could have an

adverse impact on government operations. B&F defers to DLIR on the overall merits of this proposal but strongly recommends first conducting a feasibility/actuarial study before establishing the program. B&F also believes it would be prudent to conduct an operational study to determine the resources DLIR would need to implement the program before moving forward.

Thank you for your consideration of our comments.

HB-2360-HD-1

Submitted on: 2/25/2026 10:23:13 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mary Lu Kelley	Individual	Support	Written Testimony Only

Comments:

Aloha from Kauai.

I am writing in support of HB2360 HD1 for the following reasons.

- Only 1 in 4 private sector workers has access to paid family leave.
- Lower-income workers—disproportionately Native Hawaiian and Pacific Islander—are least likely to have this benefit and most likely to need it.
- 13 states + D.C. have PFML; California's program is 20 years old.
- New parents bond longer, improving child health/education outcomes. The American Academy of Pediatrics supports PFML.
- PFML reduces nursing home utilization (11% decrease in California).
- Keeps people attached to workforce, especially women. Reduces reliance on public benefits.
- Increases productivity, reduces turnover. Firms saw 4.6% revenue increase, 6.8% profit increase. Small businesses saw 14% labor cost decrease.
- 154,000 unpaid family caregivers in Hawai'i, providing \$2.6 billion in care annually.
- Over 25,000 residents moved to states with PFML in 2023. Young families consider PFML when deciding where to live; Gen Z ranks it #1.

Pass this bill.

Thank you.



**American
Heart
Association.**

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

February 12, 2026

Representative Scot Matayoshi, Chair
Representative Tina Grandinetti, Vice Chair
Members of the House Committee on Consumer Protection & Commerce

American Heart Association Testimony for HB 2360

Aloha Chair Matayoshi, Vice Chair Grandinetti, Members of the Committee:

The American Heart Association (AHA) stands in **STRONG SUPPORT of HB 2360**, which creates a statewide paid family and medical leave insurance program in Hawaii. Paid family medical leave provides partial wage replacement for workers who need time away from work to recover from a serious health condition, care for a seriously ill family member, or bond with a new child.

Paid family and medical leave (PFML) is a foundational policy for family health, economic stability, and workforce retention. Only 27 percent of U.S. workers have access to paid family leave through an employer and only 40 percent have access to short-term disability insurance. Nearly one in four employed mothers have returned to work within two weeks of giving birth and one in five retirees have left the workforce earlier than planned to care for an ill family member. The absence of PFML disproportionately affects families with low income, communities of color, and caregivers.

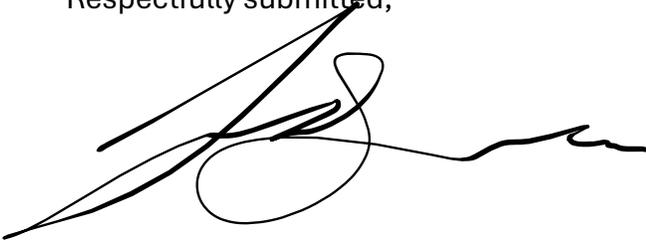
Data shows that only about a quarter of private-sector workers and roughly one-third of state and local government employees have access to paid leave, and access is lowest among workers in production, transportation, and service sectors. Research also demonstrates that paid family and medical leave improves health outcomes such as increased rates of breastfeeding, fewer preterm and low-birth weights babies, and better long-term child and parental health. Women who take paid family and medical leave after childbirth are more likely to reenter the workforce within a year, and businesses that offer paid leave experience increased productivity, greater employee retention, and reduced turnover.

In the absence of a federal paid leave program, states have both the opportunity and responsibility to act. Every worker should be able to navigate major personal or family life

events without the fear of losing income or employment. This includes caring for a family member with a serious health condition, addressing their own serious medical needs, or bonding with a new child through birth, adoption, or foster placement.

Because paid family and medical leave strengthens health, supports equity, and contributes to economic stability for families and communities, I respectfully urge the committee to support strong paid family and medical leave policy. Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Lauren Simpson-Gomez', written over a horizontal line.

Lauren Simpson-Gomez

Hawai'i Government Relations Director



HOALOHA PROJECT

Serving foster keiki of Hawai'i

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

On behalf of Hoaloha Project, a nonprofit serving foster youth across Hawaii, we respectfully submit **strong support** for HB2360.

Through our work, we see firsthand how financial stress, lack of support after childbirth, and the pressure to return to work too soon place families in crisis. Paid family leave can alleviate these pressures and serve as a preventative measure — helping stabilize households and **reducing the risk of keiki entering the foster care system.**

Many families in Hawai'i are navigating parenthood without a strong support network. When parents are forced back to work immediately after the birth or placement of a child, they must make impossible choices between bonding, recovery, and financial survival. The **high cost and limited availability of childcare further compound this strain**, placing stress on both parents and infants during a critical developmental period.

Paid family leave is not only a financial support — it is a health and family stability measure. Adequate time for bonding and recovery can **reduce postpartum depression**, strengthen parent-child attachment, and promote healthier home environments. These protective factors are especially important in preventing family breakdown and supporting safe, stable placements for infants and young children.

While some larger employers offer paid leave, **many working families do not have access to this essential support.** Ensuring equitable access across industries and income levels strengthens workforce stability and promotes healthier communities. The existence of implementation considerations should not delay action on a policy that supports keiki, parents, and long-term family stability.

Investing in families at the earliest stages **reduces downstream costs associated with child welfare intervention, healthcare, and crisis services.** Paid family leave is a proactive investment that supports family unity and community resilience. We believe programs that strengthen families strengthen Hawai'i as a whole. We respectfully urge the passage of HB2360.

Mahalo nui,

Ku'u Pasco

Ku'u Pasco
Executive Director
Hoaloha Project

HB-2360-HD-1

Submitted on: 2/25/2026 11:15:08 AM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Doris Segal Matsunaga	Individual	Support	Written Testimony Only

Comments:

As a grandmother living in Waimea on Hawaii Island I strongly support this measure

HB-2360-HD-1

Submitted on: 2/25/2026 1:07:46 PM

Testimony for FIN on 2/26/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Galloway	Individual	Support	Written Testimony Only

Comments:

When families suffer extraordinary hardships, societies ultimately do too, and they are expensive. Please support this bill so that good people have the chance to look after one another, and raise children who are able to contribute to our communities, not add to Hawaii's problems.