

2023



Policy Priorities

Paid Family Leave supports family well-being and the economy.



The United States is the **only developed country without national paid family leave.**



13 states and the District of Columbia have passed paid family leave laws.



States with paid family leave have seen **significant health, social and economic benefits.**



Paid family leave is good for business – employees are more productive (which can help increase profits) and loyal (which lowers turnover costs).

What is paid family leave? (HB236 / SB360)

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.

Paid family leave includes:

- *Parental leave* – for parents, including fathers and adoptive and foster 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

In some states, paid family leave also includes:

- *Deployment leave* – to handle arrangements for military service
- *Safe leave* – to deal with domestic violence, such as seeking a restraining order or relocating to safety

Why do we need paid family leave?

- When Hawai'i workers face life circumstances that make it impossible for them to work, they do not have any legal right to paid family leave

- Currently, only one in four private sector workers has access to paid family leave.
- The federal Family Medical Leave Act (FMLA) and Hawai'i Family Leave Law (HFLL) are **unpaid** and apply only to very large employers so most Hawai'i workers are not even eligible for that unpaid leave.

How does paid family leave work?

In most of the states that have passed paid family leave laws, the program:

- Is a state-run benefit program, like Social Security or Medicare
- Is funded by small payroll deductions that go into a state fund, which workers apply to when they need to take leave
- Employers do not need to pay employees while they are on leave, since they are paid from the state fund
- Is available to both full and part-time workers
- Provides between 8 and 30 weeks of paid leave per year
- Provides a higher portion of wages to lower-income workers, so they can afford to take the leave
- Ensures that employees have a job to go back to after they take leave



Investing in families AND early childhood care & education professionals creates mutual benefits.



One child care seat for every four children under the age of 6.



Only 1 infant and toddler center seat for every 37 children.



Average monthly rates for child centers range from \$1,100 to \$1,800.



Child care providers earn on average between \$13 and \$17 per hour, which is far below what's needed to make a living wage.

Supporting young keiki means supporting the professionals who care for and educate them.

- Families can't afford to pay any higher prices.
- Child care providers can't cut costs any further.
- To give all children equal access to child care, the Legislature must fill the gap and help build up the child care workforce

A great child care system would benefit our entire state.

- When all families have equal access to child care, they have the ability to make choices that benefit our entire community and economy.
- Working parents can choose to return to their jobs, which also helps employers. They can choose to get the education they need to further their careers, which drives our state's economic growth.
- Early childhood care and education professionals are the workforce behind the workforce. They are essential to our economy.

Proposals

- **Infant & Toddler Child Care Worker Subsidy Pilot Program (HB391, HB547 / SB312)** would create a wage subsidy pilot program for infant & toddler child care professionals.
- **Child Care Accreditation Program (HB261, HB583 / SB239)** would create a program to support child care providers by paying for fees, technical assistance and incidental costs to achieve accreditation.
- **Infant & Toddler Child Care Contracted Slots Pilot Program (HB502 / SB311)** would create a pilot program to make it easier for families receiving child care subsidies for infants & toddlers to get a spot.



Targeted tax credits help working families keep more of their hard-earned money.

When targeted for lower to middle-income families, tax credits can help reduce financial hardship.



Nearly half of children in Hawai'i live in households experiencing financial hardship.



Additionally, one-third of families in Hawai'i aren't officially poor but still don't earn enough to afford basic life essentials.



Many working-age families are choosing to move to the mainland because of the high cost of living here.

Child and Dependent Care Tax Credit (CDCTC) (HB1049 / SB1347)

- The cost of full-time child care in Hawai'i has skyrocketed.
- Helping families to afford child care reaps benefits for keiki, their parents, and our community:
 - Having full-time child care allows parents to work stable jobs, which increases the economic well-being of the family as a whole.
 - Investing in quality early learning programs leads to preventive savings in other areas such as special education and criminal legal costs.

Earned Income Tax Credit (EITC)

- EITC is a special tax credit for families that work.
- It's designed to provide the greatest help to working families with children who earn low- to moderate-incomes.
- The amount of tax credit goes up when a family has more children and phases out as income rises.

How do tax credits for working families help people and businesses in Hawai'i?

- Investments in working families help keiki from before they're born through their adult lives.
 - Improves physical and mental health by freeing up money for families to spend on healthcare and healthy food.
 - Improves education results, which has economic benefits down the road.
- It's tough to make ends meet in Hawai'i. Tax credits for working families help them keep more of their hard-earned money so that they can afford to live in Hawai'i.