

Honolulu, Hawaii

Feb 28, 2007

RE: H.B. No. 1399

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committees on Public Safety & Military Affairs and Labor & Public Employment, to which was referred H.B. No. 1399 entitled:

"A BILL FOR AN ACT RELATING TO INCARCERATED PERSONS,"

beg leave to report as follows:

The purpose of this bill is to clarify that paid participation in work, education, and vocational training programs while incarcerated is excluded from the type of service that is considered employment.

The bill also excludes service performed by persons committed to a penal institution from coverage under the unemployment compensation law.

The Department of Labor and Industrial Relations and the Department of Public Safety provided testimony in support of the measure.

Your Committee finds that any individual who performs services for wages or under contract of hire is considered to be employed under chapter 383, Hawaii Revised Statutes, the state employment security law. The Federal Unemployment Tax Act of 1978 and the Balanced Budget Act of 1997 exclude services performed for governmental agencies by inmates from the definition of employment for purposes of the federal law. Hawaii has yet to adopt similar exclusions. If inmates in paid training or educational programs are considered as employed under state law, the cost of



employee benefits might jeopardize these needed rehabilitative programs.

As affirmed by the records of votes of the members of your Committees on Public Safety & Military Affairs and Labor & Public Employment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1399 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committees on Public Safety &  
Military Affairs and Labor &  
Public Employment,



ALEX M. SONSON, Chair



CINDY EVANS, Chair





