

STAND. COM. REP. NO.

506

Honolulu, Hawaii

Feb 16, 2007

RE: H.B. No. 1500
H.D. 1

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

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 1500 entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY,"

begs leave to report as follows:

The purpose of this bill is to adjust the benefit amounts paid to employees from the unemployment insurance trust fund and the contribution rates for employers.

The Chamber of Commerce of Hawaii and the National Federation of Independent Business testified in support of this measure. The Hawaii State AFL-CIO supported the intent of this bill. The Department of Labor and Industrial Relations and the ILWU Local 42 testified in opposition to the measure.

Your committee finds that due to low unemployment rates in Hawaii, the level of reserves in the unemployment insurance trust fund is high. This measure seeks to provide relief for employers and also increased benefits for employees. Your committee also finds that it is necessary to ensure that an adequate level of reserves exists in the trust fund, and thus attempts to balance relief for employers and increased benefits for employees against the need to maintain an adequate level of trust fund reserves.

HB1500 HD1 HSCR LAB HMS 2007-2331

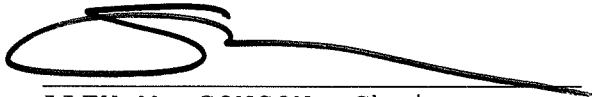


Your committee has amended this measure by:

- (1) Increasing the maximum weekly benefit allowance from 75 percent to 80 percent of the average weekly wage;
- (2) Adding a provision which increases the maximum weekly benefit amount to \$150.00; and
- (3) Adding a provision which repeals this measure five years from the effective date.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1500, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1500, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



ALEX M. SONSON, Chair



