

Honolulu, Hawaii

MAR 23 2007

RE: H.B. No. 1500
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 1500, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to raise the maximum weekly unemployment benefit to 80% of the average weekly wage. The measure changes the employer's contribution rates for the fiscal year 2007-2008 to 65% of amount and thereafter to 75% of the amount and reduces the adequate reserve fund amount after 2007.

Testimony opposing this bill was received from the Department of Labor and Industrial Relations, ILWU Local 142, The BIA-Hawaii, the Attorney General, the Society for Human Resource Management-Hawaii Chapter, the Chamber of Commerce of Hawaii, NFIB, and Hidano Construction. The Hawaii State AFL-CIO provided comments.

Your Committee requested that the employers, unions and state agencies work on proposed language that will meet each of their needs. Proposed language was submitted by this consortium.

The measure was amended by adopting the proposed language that amended the bill by the following:

(1) lowered the percentage for the maximum weekly benefit from eighty percent to seventy-five percent;



- (2) increased the offset from \$50 to \$150,
- (3) provided relief for employers to their contributions by lowering the adequate reserve fund from 18 months to 12 months and the amount of contributions; and
- (4) requires the Department of Labor and Industrial Relations to provide a study to the Legislature on the effects of the temporary increase in benefits, lowering the adequate reserve from 18 months to 12 months, make recommendations to the legislature, provide historical data and economic analysis from 1970 to the present on the fund.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1500, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1500, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON LEE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1500 HOZ	JDL WAM	3/22/07

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	/			
KOKUBUN, Russell S. (VC)	/			
INOUE, Lorraine R.	/			
NISHIHARA, Clarence K.				/
GABBARD, Mike	/			
TOTAL	4			1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Russell S. Kohl

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