

STAND. COM. REP. NO. 1211

Honolulu, Hawaii

March 25, 2009

RE: S.B. No. 1664  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 1664, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to provide an alternative to the layoff or termination of employees that would be mutually beneficial to both employers and employees by:

- (1) Temporarily codifying a partial unemployment program currently implemented through rules established by the Department of Labor and Industrial Relations (DLIR) that allows employers to retain full-time employees through reducing their work hours but also allows these employees to collect unemployment benefits and maintain certain benefits for up to four weeks of partial unemployment; and
- (2) Extending the duration of an employee's eligibility for unemployment benefits under the partial unemployment program from four to eight weeks.

The Hawaii Government Employees Association and Hawaii State AFL-CIO testified in support of this bill. DLIR provided comments on this measure.

SB1664 HD1 HSCR LAB HMS 2009-3260



Hawaii, as well as the rest of the nation, is currently facing the direst economic situation since World War II. As such, many employers are facing the difficult choice of laying-off or terminating employees simply to keep their businesses in operation. Not only is this course of action detrimental to the financial stability of employees who are laid-off or terminated, but also has a significant impact on the State's economy as a whole.

Currently, DLIR implements a partial unemployment program through their rules that allows employers to retain full-time employees at reduced hours, while at the same time allowing these employees to collect unemployment benefits for up to four weeks. Your Committee finds that allowing an individual who is working part-time to be eligible for unemployment benefits will not only assist these individuals in meeting their financial needs until such time that full-time employment becomes available, but will also assist businesses in retaining employees at a lower cost. This win-win situation for employees and employers will also have a positive effect on the overall economic outlook for the State.

Your Committee has amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

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 S.B. No. 1664, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1664, S.D. 2, 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,



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KARL RHOADS, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

Record of Votes of the Committee on Labor & Public Employment

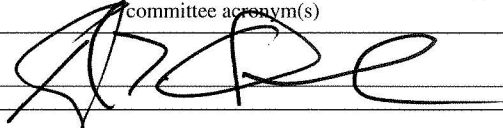
Bill/Resolution No.:	Committee Referral:	Date:
SB 1664 SD2	LAB, FIN	3-20-09

The committee is reconsidering its previous decision on the measure.

The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  
 Pass short form bill with HD to recommit for future public hearing (recommit)

LAB Members	Ayes	Ayes (WR)	Nays	Excused
1. RHOADS, Karl (C)	✓			
2. YAMASHITA, Kyle T. (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. AWANA, Karen Leinani	✓			
5. HANOHANO, Faye P.	✓			
6. KEITH-AGARAN, Gilbert S.C.	✓			
7. LEE, Marilyn B.	✓			
8. NAKASHIMA, Mark M.	✓			
9. SAIKI, Scott K.	✓			
10. SOUKI, Joseph M.				✓
11. TAKUMI, Roy M.	✓			
12. PINE, Kymberly Marcos	✓			
TOTAL (12)	11	—	—	1

The recommendation is:  Adopted  Not Adopted  
If joint referral, \_\_\_\_\_ did not support recommendation.  
\_\_\_\_\_ committee acronym(s)

Vice Chair's or designee's signature: 

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