

STAND. COM. REP. NO.

2634

Honolulu, Hawaii

MAR 02 2010

RE: H.B. No. 2169
H.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committees on Labor and Ways and Means, to which was referred H.B. No. 2169, H.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this measure is to:

- (1) Establish a wage base at ninety per cent of the average annual wage for calendar years 2010 and 2011;
- (2) Establish the employer contribution rate for calendar year 2010 at the rate authorized for Schedule D;
- (3) Establish the employer contribution rate for calendar year 2011 at the rate authorized for Schedule F;
- (4) Retain the maximum weekly benefit rate at seventy-five per cent of the average weekly wage until December 31, 2011;
- (5) Change the maximum weekly benefit rate to seventy per cent of the average weekly wage beginning on January 1, 2012;
- (6) Authorize a special assessment upon employers to pay the principal and interest costs on loans received from the United States Secretary of Labor; provided that the Director of Labor and Industrial Relations develops a



fair and equitable manner for distributing these payments among employers; and

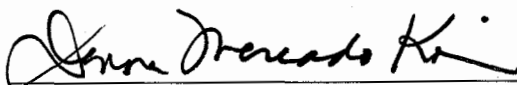
- (7) Provide for the recalculation of the adequate reserve fund beginning in 2011.

Testimony in support of this measure was submitted by one county, seventy-seven private organizations, and six individuals. Testimony in support of the intent of this measure was submitted by one state agency and four private organizations. Testimony in opposition of this measure was submitted by three private organizations and one individual. Comments on this measure were submitted by three private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

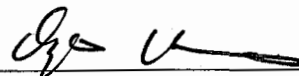
Your Committees find that keeping employers, especially small businesses throughout the State, in operation is of the utmost importance in taking the initial steps to revive Hawaii's economy. Your Committees also find that a significant percentage of the business expenses for employers operating in the State is allocated toward the payment of employment taxes. Your Committees further find that an adequate reserve in the State's Unemployment Insurance Trust Fund is a key element in protecting the integrity of the Fund. Ensuring adequacy of the Trust Fund through forward funding is one approach that buffers businesses against the heavy burden of higher taxes during economic downturns or precisely at the time that businesses can least afford higher employment taxes.

As affirmed by the records of votes of the members of your Committees on Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2169, H.D. 2, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Labor and Ways
and Means,



DONNA MERCADO KIM, Chair

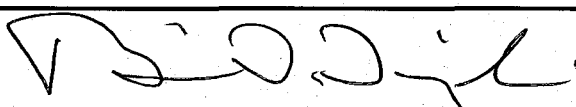


DWIGHT Y. TAKAMINE, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

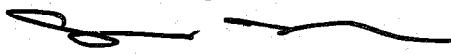
Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* HB 2169 HD2	Committee Referral: LBR/WAM	Date: 2-26-10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TAKAMINE, Dwight Y. (C)		✓		
TANIGUCHI, Brian T. (VC)		✓		
BUNDA, Robert				✓
HEE, Clayton				✓
SLOM, Sam		✓		
TOTAL	0	3	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2169 HD2	LBR/WAM	02/26/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton				/
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
TOTAL	11	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

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