

Honolulu, Hawaii

Feb 3, 2010

RE: H.B. No. 2258
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2258 entitled:

"A BILL FOR AN ACT RELATING TO FAMILY LEAVE INSURANCE,"

begs leave to report as follows:

The purpose of this bill is to strengthen families by:

- (1) Creating a Family Leave Insurance Fund (Fund) to receive contributions by employers and employees not exceeding one cent per hour or more than \$2,000 per year per employee, whichever is less; and
- (2) Using the Fund to pay employees benefits for family leave, with benefits not exceeding \$250 per week per employee.

The Hawaii Teamsters Local 996 and United Public Workers, Local 646 supported this bill. The Department of Labor and Industrial Relations and Department of Human Resources Development opposed this measure. The Department of Budget and Finance, ILWU Local 142, and Tax Foundation of Hawaii offered comments.

Your Committee notes concerns that were raised regarding the additional costs to businesses and that the provisions of this measure may not be actuarially viable. Additionally, the Legislature passed a measure requiring data collection on paid family leave (House Bill No. 982, enacted as Act 7, Special

HB2258 HD1 HSCR LAB HMS 2010-1467



Session Laws of Hawaii 2009), but the funds to implement that measure were not released.

Your Committee has amended this bill by:

- (1) Clarifying that only employers and employees covered under Chapter 398, Hawaii Revised Statutes, Family Leave, must contribute to the Fund; and
- (2) 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 H.B. No. 2258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2258, 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,



KARL RHOADS, Chair



