

STAND. COM. REP. NO.

674

Honolulu, Hawaii

FEB 17 , 2023

RE: H.B. No. 491

H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred  
H.B. No. 491, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO A LEAVE GRANT PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish within the Department of Business, Economic Development, and Tourism a two-year Leave Grant Pilot Program to help small businesses offer their employees paid family leave and paid sick leave; and
- (2) Appropriate funds to fund the grants and for administrative expenses of the Leave Grant Pilot Program.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance; Department of Business, Economic Development, and Tourism; and Maui Chamber of Commerce.

Your Committee finds that with the cost of living in Hawaii rising substantially, paid family and sick leave would reduce financial stress and enhance the overall economic security of



Hawaii residents. However, your Committee notes that offering paid leave benefits may add significant financial costs to businesses, particularly small businesses. Your Committee believes that a pilot program that helps offset the additional associated costs of paid leave benefits will help more businesses offer paid leave benefits to their employees.

Your Committee recognizes that the pilot program proposed by this measure will be a major undertaking and finds that a careful study of the potential costs of the pilot program is needed before such an undertaking.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that establishes and appropriates funds for a Leave Grant Pilot Program;
- (2) Requiring the Department of Labor and Industrial Relations to conduct an actuarial study on a potential leave grant pilot program to help small businesses with up to one hundred employees offer their employees paid family leave and sick leave;
- (3) Appropriating an unspecified amount of funds for the actuarial study; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$100,000 for the Department of Labor and Industrial Relations to conduct the actuarial study.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 491, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 491, H.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development,

*D Holt*

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DANIEL HOLT, Chair



