STAND. COM. REP. NO.

1192

Honolulu, Hawaii

APR 0 9 2009

RE: H.B. No. 332 H.D. 2 S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Madam:

Your Committees on Labor and Human Services, to which was referred H.B. No. 332, 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 establish eligibility for unemployment insurance for persons separated from employment as a result of domestic or sexual violence.

While the original purpose of this measure is important, your Committees find that as a result of the current economic recession, businesses in Hawaii are facing unprecedented challenges that will likely result in some companies being sold. To minimize detrimental effects to the State's economy and its citizens, steps must be taken now to promote seamless transfers with minimum disruption to business productivity and employment security. Accordingly, your Committees replaced the contents of this measure with new language establishing job security and other requirements upon the divestiture of a covered business establishment.

Testimony in support of the proposed draft was submitted by two organizations. Testimony in opposition to the proposed the proposed draft was submitted by one state agency and six organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.



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As amended by your Committees, this measure:

- Establishes worker retention requirements and consequences for violations of these requirements;
- (2) Clarifies when a successor employer may retain less than one hundred per cent of the former employer's incumbent employees;
- (3) Clarifies that the measure shall not be construed to abrogate an employer's right to manage the employer's employees; and
- (4) Has an effective date of July 1, 2050, to promote further discussion of this measure.

In response to express concern regarding potential unintended consequences of the proposed draft, your Committees note that the proposed draft does not amend the definition of "covered establishment" in section 394B-2, Hawaii Revised Statutes, thereby limiting the industrial, commercial, and other business entities subject to the requirements of this proposed draft to entities with fifty or more employees.

As affirmed by the records of votes of the members of your Committees on Labor and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 332, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 332, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

> Respectfully submitted on behalf of the members of the Committees on Labor and Human Services,

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OAKLAND, Chair

DWIGHT Y. TAKAMINE, Chair



The Senate Twenty-Fifth Legislature State of Hawaii

Record of Votes Committee on Labor LBR

Bill / Resolution No.:* Committee Referral: Date:							
HB332 HD2 LOR/HMS 4/2/09							
The committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members		Aye	Aye (WR)	Nay	Excused		
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TANIGUCHI, Brian T. (VC)		\checkmark					
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Recommendation:							
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

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Record of Votes Committee on Human Services HMS

Bill / Resolution No.:* Committee Referral: Date:							
HB 38Z HDZ LBRIHMS 4/7/09							
The committee is reconsidering its previous decision on this measure.							
The Recommendation is:							
Pass, unamended X Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members	Aye	Aye (WR)	Nay	Excused			
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*Only one measure per Record of Votes