

Honolulu, Hawaii

**FEB 11** , 2026

RE: H.B. No. 2315  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Health, to which was referred H.B. No. 2315  
entitled:

"A BILL FOR AN ACT RELATING TO STATE EMPLOYEE BENEFITS,"

begs leave to report as follows:

The purpose of this measure is to allow the Department of Health to establish a three-year Vacation Payout Pilot Program to liquidate a portion of an employee's earned and accrued vacation benefits and apply the disbursement to the down payment of a personal primary residence without the necessity of a separation of service.

Your Committee received testimony in support of this measure from the Department of Health; United Public Workers, AFSCME Local 646, AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the vacancy rates experienced by state government agencies are fueled, in part, by the State's high cost of living and lack of sufficient affordable housing. Your Committee further finds that the down payment is the single greatest barrier to homeownership and that a potential resource for state employees to fund the down payment may exist in their earned vacation benefits. This measure is intended to contribute to the Department of Health's retention efforts by permitting



Department employees the option of a voluntary vacation leave payout without having to resign, which will allow career employees equitable access to an earned benefit at the time they need it and not at the end of their career.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2315, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2315, H.D. 1, and be referred to your Committee on Labor.

Respectfully submitted on  
behalf of the members of the  
Committee on Health,

  
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GREG TAKAYAMA, Chair



