

Honolulu, Hawaii

MAR 06 , 2026

RE: H.B. No. 2360  
H.D. 2

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

Madame:

Your Committee on Finance, to which was referred H.B. No. 2360, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require the Department of Labor and Industrial Relations to:

- (1) By January 1, 2029, establish a family and medical leave insurance program and begin collecting payroll contributions to finance the program; and
- (2) By January 1, 2030, begin receiving claims and paying benefits.

Your Committee received testimony in support of this measure from the Department of Human Resources Development; Office of Hawaiian Affairs; Office of Wellness and Resilience; Hawaii State Commission on the Status of Women; one member of the Hawai'i County Council; Hawai'i State Teachers Association; Hawai'i Public Health Institute and Healthy Eating, Active Living Coalition; Early Childhood Action Strategy; American Civil Liberties Union of Hawai'i; AARP Hawai'i; Hawai'i Appleseed Center for Law & Economic Justice; Hawai'i Alliance of Nonprofit Organizations; Chamber of Sustainable Commerce; AAUW of Hawaii; American Heart Association;



United Public Workers, AFSCME Local 646, AFL-CIO; Hoaloha Project; Hawai'i Family Caregiver Coalition; Hawai'i Workers Center; Hawai'i Children's Action Network Speaks!; Pacific Birth Collective; Hawai'i Women Lawyers; Hawai'i Alliance for Progressive Action; University of Hawaii Professional Assembly; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawai'i State Coalition Against Domestic Violence; and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations; Maui Chamber of Commerce; NFIB Hawai'i Chapter; Grassroot Institute of Hawaii; Hawaii Energy Marketers Association; and Society of Human Resource Management - Hawaii. Your Committee received comments on this measure from the Department of Taxation; Department of Budget and Finance; Department of Budget and Fiscal Services of the City and County of Honolulu; and Chamber of Commerce Hawaii.

Your Committee respectfully requests that the Executive Administration and advocates provide analysis on the appropriate employee-count threshold for the requirements proposed by this measure and whether a credit or subsidy for small businesses that are not mandated to provide one hundred percent of the payroll contribution but choose to opt in voluntarily would be appropriate.

Your Committee has amended this measure by:

- (1) Changing the employee-count threshold to determine the payroll contribution amount for an employer to an unspecified number; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2360, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2360, H.D. 2.



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

A handwritten signature in black ink, appearing to read "Chris Todd", written in a cursive style.

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CHRIS TODD, Chair



