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TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 1172, Relating to Departmental Data Sharing.

BEFORE THE:

House Committee on Higher Education

DATE: Friday, January 31, 2025

TIME: 2:15 p.m.

LOCATION: State Capitol, Room 309

Chair Garrett, Vice-Chair Amato, and Members of the Committee:

The Department of Taxation (DOTAX) offers testimony in support of H.B. 1172, an Administration measure.

H.B. 1172 adds DOTAX to the list of state agencies sharing data through the statewide longitudinal data system under section 27-7, Hawaii Revised Statutes (HRS). This allows DOTAX to provide certain wage data to the University of Hawaii and other state agencies.

DOTAX's primary concern with sharing data is the protection of confidential taxpayer information. This bill addresses that concern in two ways:

1. Section 27-7(a), HRS, provides that any data provided by DOTAX shall be aggregated or anonymized; and
2. Section 27-7(d), HRS, provides that all data shared by DOTAX shall be subject to any state or federal laws and any administrative rule regarding privacy adopted by the DOTAX.

This measure is effective upon its approval.

DOTAX is able to participate in the sharing of aggregated or anonymized data through the Statewide Longitudinal Data System, as contemplated in this bill.

Thank you for the opportunity to provide comments on this measure.



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Higher Education
Friday, January 31, 2025, at 2:15 p.m.

By

Debora Halbert, Vice President for Academic Strategy
University of Hawai'i System

HB 1172 – RELATING TO DEPARTMENTAL DATA SHARING

Chair Garrett, Vice Chair Amato, and Members of the Committee:

I am writing to support House Bill 1172, to include the Department of Taxation in the list of state agencies required to share data through the statewide longitudinal data system. This important measure will enhance Hawai'i's ability to track workforce outcomes and make informed decisions that ultimately improve the education-to-workforce pipeline. By formalizing data-sharing practices with the Department of Taxation, we will be better equipped to track and analyze workforce outcomes.

As it stands, the University of Hawai'i (UH) tracks post-graduation outcomes with some limitations. The most significant gaps involve the lack of data on Hawai'i's workforce regarding individuals who are federally employed or self-employed such as those working in freelance or gig economy roles, leaving the analysis incomplete. By adding the Department of Taxation to the list of agencies that share data, we would gain access to wage and employment information, giving UH the ability to conduct more accurate and comprehensive analyses of post-graduate outcomes and labor market trends in Hawai'i.

Data from the Department of Taxation will allow us to track not only those who enter the traditional workforce but also those who engage in freelance work, entrepreneurship, or other forms of self-employment that are crucial to Hawai'i's economy. This data is vital for creating accurate models of post-graduate employment trends, which in turn can inform policies and programs aimed at improving educational and workforce outcomes.

More complete data means better policy decisions. We could refine workforce development programs, adjust educational curricula, and create initiatives that better prepare graduates for real-world employment scenarios, ensuring that they are competitive in both the local and global economy.

I also appreciate that the bill includes safeguards for privacy and confidentiality, ensuring that any data provided by the Department of Taxation will be aggregated or anonymized. This ensures compliance with federal privacy standards and assures the public that their personal data will remain secure.

Ultimately, adding the Department of Taxation to the list of agencies who share data is an important step toward improving Hawai'i's workforce analysis, educational outcomes, and policy-making capacity.

Thank you for your time and consideration.



Testimony Presented Before the
House Committee on Higher Education
Friday, January 31, 2025, at 2:15 p.m.
By
Stephen Schatz, Executive Director
Hawai'i P-20 Partnerships for Education

HB 1172 – RELATING TO DEPARTMENTAL DATA SHARING

Chair Garrett, Vice Chair Amato, and Members of the Committee:

Thank you for the opportunity to testify on HB 1172 relating to departmental data sharing across state agencies to include the Department of Taxation (DOTAX) in the statewide longitudinal data system (SLDS).

Hawai'i P-20 Partnerships for Education (Hawai'i P-20) supports HB 1172. Since 2010, Hawai'i P-20 has managed the Hawai'i Data eXchange Partnership (DXP), which consists of five state agencies: the Department of Education, University of Hawai'i (UH), Department of Labor and Industrial Relations (DLIR), Department of Health, and Department of Human Services. This group governs Hawai'i's cross-agency SLDS that links information on individuals from infancy through early learning, K-12 and postsecondary education, and into the workforce. On behalf of the DXP, Hawai'i P-20 coordinates data sharing among state agencies which is executed through legally vetted agreements that list specific data elements, the purpose, and the use of the data. Compliance with state and federal guidelines and regulations pertinent to the data sharing partner are always followed. Partners maintain control over their data via DXP's governance policy and processes. (More information available at: <https://www.hawaiidxp.org/>).

Data sharing between UH and DLIR provides valuable information on UH graduates in Hawai'i's workforce, but that data is incomplete as it does not include self-employed or federal workers. DOTAX data could help provide a more complete picture of workforce outcomes, particularly for those who are federally- or self-employed.

Thank you for the opportunity to submit testimony on this measure.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS; Data Sharing; Statewide Longitudinal Data Sharing

BILL NUMBER: HB 1172, SB 1491

INTRODUCED BY: HB by NAKAMURA by request, SB by KOUCHI by request (Governor's Package)

EXECUTIVE SUMMARY: Adds the Department of Taxation to the list of state agencies sharing data through the statewide longitudinal data system. Allows the Department of Taxation to provide the University of Hawai'i and other state agencies certain wage data.

SYNOPSIS: Amends section 27-7, HRS, to add the Department of Taxation to the State's existing longitudinal data system, provided that its data is aggregated or anonymized.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: This is an Administration bill sponsored by the University of Hawaii and designated UOH-11 (25).

We have no objection to efforts to analyze case data from Hawaii government agencies, as long as individual taxpayer privacy is respected.

Digested: 1/29/2025

HB-1172

Submitted on: 1/28/2025 10:45:06 AM

Testimony for HED on 1/31/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Andrew Crossland	Individual	Oppose	Written Testimony Only

Comments:

I STRONGLY OPPOSE the sharing of this personal information with the University of Hawaii.
I urge all members of the Committee to **VOTE NO** on this Bill.