Honolulu, Hawaii

APR 28 , 2006

RE: S.B. No. 2190

S.D. 1 H.D. 2 C.D. 1

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

## Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2190, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to make adjustments to both contributions and benefits for unemployment insurance by providing temporary relief to employers by lowering the maximum taxable wage base for calendar year 2007 and increasing unemployment benefits for eligible individuals. This measure also excludes the payment of benefits to individuals terminated from employment as a result of willful or wanton misconduct.

Your Committee on Conference finds that relief to both employers and unemployed workers in the face of a reported balance of \$457 million in the Unemployment Trust Fund is warranted and a fair approach to the interest of both sides of the unemployment

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system. This measure strikes an appropriate balance between providing eligible unemployed individuals increased benefits, while equitably providing tax relief to employers. Your Committee on Conference further determines that, in the interest of protecting unemployed individuals and preserving the integrity of the system, a clear policy should be established regarding the denial of benefits for individuals terminated only for misconduct that rises to the level of willful or wanton misconduct.

Upon further consideration, your Committee on Conference has amended this measure by:

- Clarifying the application of the adjustment in benefits by:
  - Increasing the threshold for deducting wages earned (a) in a benefit week to \$150 for weeks beginning July 2, 2006: and
  - Increasing the maximum potential benefits paid to an (b) eligible individual to thirty times the individual's weekly benefit amount for years beginning January 1, 2006;
- Increasing by one year the relief provided to employers; (2)
- Including portions of the rules with respect to excluding (3) benefits to employees terminated for willful or wanton misconduct; and
- (4)Changing the effective date of the Act to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2190, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2190, S.D. 1, H.D. 2, C.D. 1.

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Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

KIRK CALDWELL, Co-Chair

DWIGHT TAKAMINE, Co-Chair

Y 2 ---

IAN T. TANIGUCHI, Co-**G**hair

## Hawaii State Legislature

## Record of Votes of a Conference Committee

SB 2190, SD 1, HD 2					Date/Time: 4/27/06 4:15pm				
The recommendation of the House	and S	Senate	mana	gers	is to pass with amendments (CD).				
☐ The Committee is reconsidering its	prev	ious de	ecisio	n.			-		
The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	Е	House Managers	A	WR	N	Е
KANNO, Brian, Chr.	X				CALDWELL, Kirk, Co-Chr.	X			
TANIGUCHI, Brian, Co-Chr.	X				TAKAMINE, Dwight Y., Co-Chr.	X			
ESPERO, Will	X				STEVENS, Anne V.		X		
MENOR, Ron				X					
HEMMINGS, Fred			X						
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Senate Recommendation is:					House Recommendation is:				
Adopted Not Adopted					Adopted Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
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Distribution: Original File with Conference Co		ee Reni	ort	H	Yellow Pink  ouse Clerk's Office Senate Clerk's Offi	ce	<b>Gold</b> e		
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