

STAND. COM. REP. NO. 1470-22

Honolulu, Hawaii

, 2022

MAR 24

RE: S.B. No. 3128
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 3128, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE ADEQUATE RESERVE FUND,"

begs leave to report as follows:

The purpose of this measure is to amend the definition of "adequate reserve fund" for calendar years 2023 through 2030 to exclude the benefit cost rate from June 2020 through August 2021.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Maui Chamber of Commerce, and Hawaii Food Industry Association. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Adequate Reserve Fund is a benchmark for solvency of the Unemployment Compensation Trust Fund that is calculated based on the highest benefit cost rate multiplied by the total wages for the last completed fiscal year ending June 30. Your Committee further finds that unless the calculation of the Adequate Reserve Fund is statutorily amended, it will include the unprecedented period of unemployment in Hawaii and rapid depletion of Unemployment Compensation Trust Fund funds caused by the coronavirus disease 2019 (COVID-19) pandemic.

2022-2487 SB3128 HD1 HSCR HMSO



This measure will allow contributory employers to replenish the Unemployment Compensation Trust Fund and help to reestablish the fund's integrity without facing the highest contribution schedules in future years as Hawaii's economy continues to recover from the COVID-19 pandemic.

Your Committee has amended this measure by changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3128, S.D. 2, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 3128, S.D. 2, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LING JOHANSON, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <i>SB 3128, 502,</i>	Committee Referral: <i>LAT, CPC, FIN</i>	Date: <i>3/22/22</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.				✓
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.				✓
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	<i>9</i>	<i>0</i>	<i>0</i>	<i>2</i>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				