

STAND. COM. REP. NO.

1444

Honolulu, Hawaii

**MAR 22**, 2023

RE: S.B. No. 1383  
S.D. 1  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Labor & Government Operations, to which was referred S.B. No. 1383, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYMENT SECURITY LAW,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish an Unemployment Insurance Technology Special Fund to be used for operating expenses associated with the Department of Labor and Industrial Relations' information technology infrastructure; and
- (2) Authorize an unemployment insurance technology assessment to support the information technology operating and maintenance expenses for the payment of benefits and contributions under the Hawaii Employment Security Law.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations. Your Committee received testimony in opposition to this measure from Maui Paradise Properties, Maui Chamber of Commerce, and one individual.

2023-2759 SB1383 HD1 HSCR HMSO



Your Committee finds that, because the Unemployment Insurance program is one hundred percent federally funded, the federal funds received are used to cover costs associated with administering the program. A permanent funding mechanism is needed to support ongoing expenses to maintain the Unemployment Insurance Division's information technology infrastructure.

Your Committee has amended this measure by:

- (1) Including section 383-69, Hawaii Revised Statutes, in those sections from which the unemployment insurance technology assessment shall be separate and not included;
- (2) Changing the unemployment insurance technology assessment to an unspecified percentage of taxable wages; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider a rate of .01 percent of taxable wages in setting the unemployment insurance technology assessment.

As affirmed by the record of votes of the members of your Committee on Labor & Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1383, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1383, S.D. 1, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Labor & Government  
Operations,



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SCOT Z. MATUYOSHI, Chair



