

Honolulu, Hawaii

FEB 07 2023

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred
S.B. No. 1383 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Create the Unemployment Insurance Technology Special Fund (Special Fund) to fund the operating and maintenance costs of the information technology infrastructure for the Unemployment Insurance Program;
- (2) Impose an additional assessment of .01 percent to Unemployment Compensation Trust Fund contributions to be deposited into the Special Fund; and
- (3) Clarify the order of priority to apply collections from delinquent employers to delinquent amounts under Hawaii's Employment Security Law.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that although federal funds are currently available for the infrastructure and equipment necessary



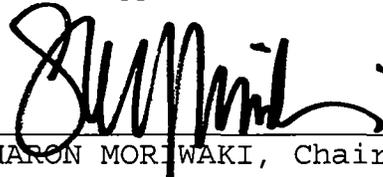
to modernize the Unemployment Insurance Program, the costs of operating and maintaining the information technology systems are not covered by federal funds. According to oral testimony, the assessment proposed in this measure would generate \$1,500,000 each year to defray existing and future operation and maintenance costs.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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

Respectfully submitted on
behalf of the members of the
Committee on Labor and
Technology,



SHARON MORIWAKI, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT

Bill / Resolution No.:* SB1383	Committee Referral: LBT, WAM	Date: 2/3/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
MORIWAKI, Sharon Y. (C)	x			
LEE, Chris (VC)	x			
IHARA, Jr., Les				x
KEITH-AGARAN, Gilbert S.C.				x
FEVELLA, Kurt		x		
TOTAL	2	1		2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes