STAND. COM. REP. NO.

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.

STAND. COM. REP. NO. Page 3

1444

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

SCOT Z. MATAYOSHI, Chair

## State of Hawaii House of Representatives The Thirty-second Legislature

## HSCR1444

## **Record of Votes of the Committee on Labor & Government Operations**

Bill/Resolution No.: SB1383, DI	Committee Referral: LGO, FI	Date	3/21/2	ろ
The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
LGO Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)	V		The state of the s	
2. GARRETT, Andrew Takuya (Vo			a et i	
3. KAPELA, Jeanne		10-10-1		
4. MARTINEZ, Rose				V
			ida, Tali	
5. SAYAMA, Jackson D.				9 - Adria
C TAM Advisor V				Total AAS
6. TAM, Adrian K.	1 (4) 8 2 1 (26) 2 3 2 3 2			
7. ALCOS III, David	48) d (			<u> </u>
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TOTAL (7)	5			2
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				