

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:

- (1) Clarifying the application of the adjustment in benefits by:
 - (a) Increasing the threshold for deducting wages earned in a benefit week to \$150 for weeks beginning July 2, 2006; and
 - (b) Increasing the maximum potential benefits paid to an eligible individual to thirty times the individual's weekly benefit amount for years beginning January 1, 2006;
- (2) Increasing by one year the relief provided to employers;
- (3) Including portions of the rules with respect to excluding 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.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE


KIRK CALDWELL, Co-Chair


BRIAN KANNO, Chair


DWIGHT TAKAMINE, Co-Chair


BRIAN T. TANIGUCHI, Co-Chair



