

**HB1076**  
**TESTIMONY**



**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813  
[www.hawaii.gov/labor](http://www.hawaii.gov/labor)  
Phone: (808) 586-8842 / Fax: (808) 586-9099  
Email: [dliir.director@hawaii.gov](mailto:dliir.director@hawaii.gov)

March 18, 2011

To: The Honorable Clayton Hee, Chair  
and Members of the Senate Committee on Judiciary and Labor

Date: Monday, March 21, 2011  
Time: 8:30 a.m.  
Place: Conference Room 016, State Capitol

From: Dwight Takamine, Director  
Department of Labor and Industrial Relations

**Re: H.B. 1076 H.D.1 Relating to Employment Security Law**

**I. OVERVIEW OF PROPOSED LEGISLATION**

H.B. 1076 H.D.1 proposes to add a new subsection, section 383-123(d), Hawaii Revised Statutes (HRS), to appropriate \$2,180,480 for the administration of the UI program. The \$2.1 million was a special administrative transfer in March 2009 under Public Law 111-5, Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of the American Recovery and Reinvestment Act (ARRA).

**II. CURRENT LAW**

Currently, under section 383-123(b), moneys received under section 903 of the Social Security Act (SSA) can be used for the payment of benefits. However, the ARRA money was transferred under section 903(g) of the SSA which restricted use of the \$2.1 million to administrative uses only.

**III. HOUSE BILL**

The Department strongly supports this measure and recommends passage of this bill.

1. The UI Division plans to use the special administrative transfer to cover expenses for new internet applications, improve the interactive voice response system,

H.B. 1076 H.D. 1

March 18, 2011

Page 2

improve the tax system, improve the capability of the benefit system, enhance the UI website to respond to claimants' and employers' need for information and do required system security assessments.

2. Since the 2009 special administrative transfer cannot be used to pay benefits, a new section had to be added to exclude the 2009 transfer from what is allowable under subsection 383-123(b) to preclude any violation of federal law.