

STAND. COM. REP. NO. 966

Honolulu, Hawaii

MAR 05 2021

RE: S.B. No. 1159
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1159, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY,"

begs leave to report as follows:

The purpose and intent of this measure is to make certain amendments with respect to employment security law.

Specifically, the measure:

- (1) Amends the definitions of "benefit year" and "week";
- (2) Provides that continued claim certifications for partial unemployment benefits shall be filed in the same manner and extent that apply to total or part-total unemployment benefits;
- (3) Sets the employer contribution rate schedules for calendar years 2021, 2022, and 2023 at schedules D, F, and G, respectively; and
- (4) Authorizes the Director of Labor and Industrial Relations to modify the annual contribution rate computation method for all employers for calendar years 2020 and 2021, by omitting from the calculation benefits charged against their accounts.



Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the coronavirus disease 2019 (COVID-19) pandemic devastated Hawaii's economy, and the economic downturn forced many businesses to reduce their employees' work hours or lay off employees altogether. As a result, unemployment reached levels as high as twenty-five per cent, and in less than a three month time period, more than \$600,000,000 from the unemployment compensation trust fund was expended to pay unemployment benefit claims.

Your Committee also finds that, as a result of the reduction of the moneys in the unemployment compensation trust fund, the State, which is responsible for ensuring that there are sufficient moneys in the fund, borrowed hundreds of millions of dollars from the federal government to replenish the fund and pay unemployment claims. Your Committee recognizes the importance of paying this loan obligation in a timely manner.

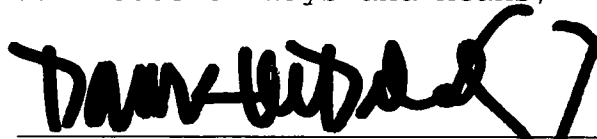
Your Committee has amended this measure by:

- (1) Deleting its contents and inserting appropriations of unspecified sums of general fund revenues for fiscal years 2021-2022 and 2022-2023 for the purpose of reimbursing the federal government for moneys lent to the State for the payment of unemployment benefit claims; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1159, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1159, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

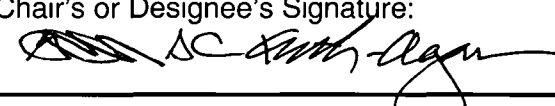


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 1159, SD 1	LCA, WAM	3/4/21
<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	
DELA CRUZ, Donovan M. (C)	X	
KEITH-AGARAN, Gilbert S.C. (VC)	X	
ENGLISH, J. Kalani	X	
INOUYE, Lorraine R.	X	
KANUHA, Dru Mamo	X	
KIDANI, Michelle N.	X	
MORIWAKI, Sharon Y.	X	
SHIMABUKURO, Maile S.L.	X	
TANIGUCHI, Brian T.	X	
WAKAI, Glenn	X	
FEVELLA, Kurt	X	
TOTAL	11	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature: 		
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy		

*Only one measure per Record of Votes