Honolulu, Hawaii FEB C 8 , 2022

RE: H.B. No. 1852 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Labor & Tourism, to which was referred H.B. No. 1852 entitled:

"A BILL FOR AN ACT RELATING TO THE UNEMPLOYMENT COMPENSATION TRUST FUND,"

begs leave to report as follows:

The purpose of this measure is to appropriate funds to the Unemployment Compensation Trust Fund.

Your Committee received testimony in support of this measure from the Hawaii Food Industry Association. Your Committee received comments on this measure from the Department of Labor and Industrial Relations and Department of Budget and Finance.

Your Committee finds that the coronavirus disease 2019 pandemic created an unprecedented period of unemployment in Hawaii that resulted in the rapid depletion of funds from the Unemployment Compensation Trust Fund. The Department of Labor and Industrial Relations estimates that for every \$100,000,000 added to the Unemployment Compensation Trust Fund, the statutory schedule of employer taxes will likely drop one level in the following calendar year.

Your Committee finds, however, that the infusion of funds into the Unemployment Compensation Trust Fund is not anticipated

to reduce employers' tax rates beyond one year because the ratio of the current reserve to the adequate reserve, which is used to determine the unemployment insurance tax schedule for employers, is calculated annually.

Nonetheless, your Committee requests that, should your Committee on Finance consider this measure, that it consider appropriating \$300,000,000 to supplement the Unemployment Compensation Trust Fund.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing the effective date to December 25, 2040, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor & Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1852, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1852, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Labor & Tourism,

RICHARD H.K. ONISHI, Chair

State of Hawaii House of Representatives

The Thirty-first Legislature #\$\tag{45-22}

Record of Votes of the Committee on Labor & Tourism

Bill/Resolution No.:	Committee Referral: Date:			
413 1852	LAT, CPC	, FIN C	02/03/202	2
☐ 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)				
LAT Members	Ayes	Ayes (WR)	Nays	Excused
1. ONISHI, Richard H.K. (C)	/			
2. SAYAMA, Jackson D. (VC)				
3. BELATTI, Della Au				
4. HOLT, Daniel				
5. KOBAYASHI, Dale T.				
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6. QUINLAN, Sean				
		Y		
7. TAKAYAMA, Gregg				
8. OKIMOTO, Val				
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TOTAL (8)	8			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designec's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				