

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII'
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

February 27, 2023

To: The Honorable Kyle T. Yamashita, Chair,
The Honorable Lisa Kitagawa, Vice Chair, and
Members of the House Committee on Finance

Date: Monday, February 27, 2023

Time: 1:30 p.m.

Place: Via Videoconference & Room 308, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. 1353 HD1 RELATING TO UNEMPLOYMENT INSURANCE

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports** this measure and provides comments. This proposal seeks to appropriate general funds for the fiscal years 2023-2024 and 2024-2025 to support the administration of the Unemployment Insurance (UI) program. It also appropriates general funds to help upgrade and modernize the unemployment insurance system.

II. COMMENTS ON THE HOUSE BILL

The DLIR strongly supports this measure provided that the appropriation in Section 1 does not replace or adversely impact priorities indicated in the Governor's Executive Budget request. The UI program intends to use the appropriations to support fifteen (15) vacant federally unfunded positions that will be used to ensure service levels to the community remain constant. The department suggests an appropriation for \$1,961,260 for the positions in Section 1.

This measure also appropriates general funds to supplement the costs associated with procuring a vendor and modernizing the UI system (HUI MOD). The DLIR suggests a \$36M appropriation for HUI MOD in Section 2, which also is approved under F.M. 23-03 Governor's Decisions on FB2023-25 Executive Budget Requests for the Green Administration.