

Honolulu, Hawaii

FEB 16 2023

RE: S.B. No. 1383
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1383, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYMENT SECURITY LAW, "

begs leave to report as follows:

The purpose and intent of this measure is to facilitate the modernization of information technology infrastructure for the Unemployment Insurance Division of the Department of Labor and Industrial Relations by:

- (1) Instituting an unemployment insurance technology assessment to be imposed on employers at a rate of .01 per cent of taxable wages; and
- (2) Establishing the Unemployment Insurance Technology Special Fund into which the assessment shall be deposited and which shall be used to defray the costs of information technology infrastructure for the unemployment insurance program.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations.

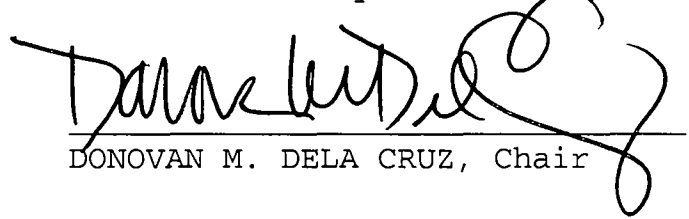
Your Committee finds that administration of the state unemployment insurance program is funded entirely by federal



funds. Your Committee also finds that the United States Department of Labor's Employment and Training Administration has opined that the costs of unemployment insurance modernization, including the cost of maintaining information technology systems, is not affordable in the current federal budget environment. Therefore, your Committee further finds that this measure provides a permanent funding mechanism to support the necessary continued maintenance of the Unemployment Insurance Division's information technology infrastructure.

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. 1383, S.D. 1, and recommends that it pass Third Reading.

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



DONOVAN M. DELA CRUZ, Chair



