STAND. COM. REP. NO. 404

Honolulu, Hawaii

FEB 1 6 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

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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

The Senate Thirty-Second Legislature State of Hawai'i

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral:		C	Date:	
SB 1383 SD1	LBT, WAM			2/10/23	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)		×			
KEITH-AGARAN, Gilbert S.C. (VC)		Х			
AQUINO, Henry J.C.		X			
DECOITE, Lynn					
INOUYE, Lorraine R.		X			
KANUHA, Dru Mamo		X			
KIDANI, Michelle N.		Х			
KIM, Donna Mercado					X
LEE, Chris		Х			
MORIWAKI, Sharon Y.		X			
SHIMABUKURO, Maile S.L.		×			
WAKAI, Glenn					×
FEVELLA, Kurt			Х		
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TOTAL		ίο	l		2
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
DON ACKIN-Aga					
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^{*}Only one measure per Record of Votes