

STAND. COM. REP. NO. 142

Honolulu, Hawaii

FEB 10 2023

RE: S.B. No. 879
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 Labor and Technology, to which was referred S.B. No. 879 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate funds for the retention of employees of the Unemployment Insurance Division (Division) of the Department of Labor and Industrial Relations.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and one individual.

Your Committee finds that not only is the Division one hundred percent federally funded, but that the federal funding it receives is counter-cyclical to the volume of services that it provides. Accordingly, as the unemployment rate for the State decreases, so does the federal funds that the Division receives. Your Committee further finds that although the Division has a number of positions, fifteen of these positions currently remain vacant because they are not federally funded. According to testimony from the Division, filling these fifteen positions would retain the specialized institutionalized knowledge necessary to ensure that service levels to the community remain stable as the



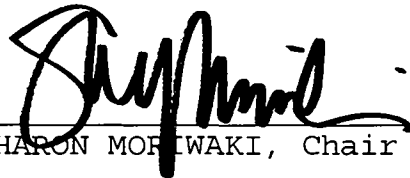
Division moves forward with its modernization initiative. Your Committee recognizes the concerns that appropriating state funding to the Division may potentially affect the amount of federal funding that the Division receives; however, your Committee also believes that the supplemental funds proposed in this measure could help with the long-term sustainability of the Unemployment Insurance Program.

Your Committee has amended this measure by inserting an effective date of January 1, 2050, to encourage further discussion.

Your Committee notes that the Senate Draft 1 of this measure contains an unspecified appropriation amount. Should your Committee on Ways and Means choose to deliberate on their measure, your Committee respectfully requests that it considers inserting an appropriation amount of \$1,500,000 for the retention of fifteen federally-unfunded vacant positions necessary to stabilize the program operations of the Unemployment Insurance Division.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 879, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 879, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Labor and
Technology,



SHARON MORIWAKI, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Labor and Technology
LBT

Bill / Resolution No.:* SB 879	Committee Referral: LBT, WAM	Date: 2/13/23		
<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
MORIWAKI, Sharon Y. (C)	✓			
LEE, Chris (VC)	✓			
IHARA, Jr., Les				x
KEITH-AGARAN, Gilbert S.C.				✓
FEVELLA, Kurt	x			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; margin-top: 10px;"> </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes