



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

GOV. MSG. NO. 720

June 14, 2006

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Third State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on June 14, 2006, the following bill was signed into law:

HB2947 HD2 SD2 CD1

A BILL FOR AN ACT RELATING TO
EMPLOYMENT SECURITY.
(ACT 190)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

HOUSE OF REPRESENTATIVES
TWENTY-THIRD LEGISLATURE, 2006
STATE OF HAWAII

H.B. NO. 2947
H.D. 2
S.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO EMPLOYMENT SECURITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to appropriate
2 federal Reed Act moneys to the department of labor and
3 industrial relations for the following initiatives:

4 (1) As seed moneys to the department of labor and
5 industrial relations to be used by the department of
6 labor and industrial relations, in consultation with
7 the local workforce investment boards of each of the
8 four counties, to plan, develop, and implement a
9 computer system that benefits workforce development
10 activities and programs operated by the counties;

11 (2) To provide funds to assist the State's four local
12 workforce investment boards. The funds will be used
13 by the local boards to improve employer outreach and
14 services, labor force pool expansion, capacity
15 building, and to fund some shared costs for the
16 operations of the one-stop career centers through the
17 following:

18 (A) Employer outreach and services;



- 1 (B) Labor force pool expansion;
- 2 (C) Capacity building; and
- 3 (D) Servicing and maintaining the one-stop operating
- 4 system;
- 5 and

6 (3) To provide funds to Oahu's workforce investment board.

7 Further, this Act is also intended to conform to the
8 provisions of P.L. 107-147, Temporary Extended Unemployment
9 Compensation Act of 2002, signed by the President of the United
10 States of America on March 9, 2002. This amendment is needed
11 because the requirements for the Reed Act funds distributed in
12 2002 differ from the prior special Reed Act distribution made in
13 2002 under the Balanced Budget Act of 1997. Section 383-123,
14 Hawaii Revised Statutes, must be amended to conform to the
15 Temporary Extended Unemployment Compensation Act of 2002 Reed
16 Act amendments before Hawaii can use the distribution of
17 \$31,000,000.

18 SECTION 2. Section 383-123, Hawaii Revised Statutes, is
19 amended by amending subsections (b) and (c) to read as follows:

20 "(b) Administrative use. Moneys credited to the account
21 of this State in the unemployment trust fund by the Secretary of
22 the Treasury of the United States pursuant to section 903 of the



1 Social Security Act, as amended, may be requisitioned and used
2 for the payment of benefits and for the payment of expenses
3 incurred for the administration of this State's unemployment
4 compensation law and public employment offices pursuant to a
5 specific appropriation of the legislature; provided that the
6 expenses are incurred and the money is requisitioned after the
7 enactment of an appropriation law ~~[which:]~~ that:

8 (1) ~~[specifies]~~ Specifies the purposes for which the
9 moneys are appropriated and the amounts appropriated
10 therefor~~[.]~~;

11 (2) ~~[limits]~~ Limits the period within which the moneys may
12 be obligated to a period ending not more than two
13 years after the date of the enactment of the
14 appropriation law~~[.]~~; and

15 (3) ~~[limits]~~ Limits the amount ~~[which]~~ that may be
16 obligated ~~[during a twelve-month period beginning on~~
17 ~~July 1 and ending on the next June 30]~~ to an amount
18 ~~[which]~~ that does not exceed the amount by which ~~[(A)]~~
19 the aggregate of the amounts credited to the account
20 of this State pursuant to section 903 of the Social
21 Security Act, as amended, ~~[during the same twelve-~~
22 ~~month period and the thirty-four preceding twelve-~~



1 ~~month periods] exceeds [-(B)] the aggregate of the~~
2 ~~amounts obligated pursuant to this subsection and~~
3 ~~charged against the amounts credited to the account of~~
4 ~~this State [during such thirty-five twelve-month~~
5 ~~periods. For the purposes of this subsection, amounts~~
6 ~~which are obligated for administration or paid out for~~
7 ~~benefits shall be charged against equivalent amounts~~
8 ~~which were first credited and which are not already so~~
9 ~~charged; except that no amount obligated for~~
10 ~~administration during a twelve-month period specified~~
11 ~~herein may be charged against any amount credited~~
12 ~~during such twelve-month period earlier than the~~
13 ~~thirty-fourth preceding such period].~~

14 Moneys credited to the account of this State pursuant to
15 section 903 of the Social Security Act, as amended, may not be
16 withdrawn or used except for the payment of benefits and for the
17 payment of expenses for the administration of this chapter
18 pursuant to this subsection.

19 The appropriation, obligation, and expenditure or other
20 disposition of [~~money~~] moneys appropriated under this subsection
21 shall be accounted for in accordance with standards established
22 by the United States Secretary of Labor. Moneys appropriated



1 for the payment of expenses of administration pursuant to this
2 subsection shall be requisitioned as needed for the payment of
3 obligations incurred under the law appropriating the moneys and,
4 upon requisition, shall be deposited in the employment security
5 administration fund from which [~~such~~] the payments shall be
6 made. Moneys so deposited [~~shall~~], until expended, shall remain
7 a part of the unemployment compensation fund and, if [~~it will~~]
8 not [~~be~~] expended within one week after [~~it is~~] withdrawn from
9 the unemployment trust fund, shall be returned at the earliest
10 practical date to the Secretary of the Treasury of the United
11 States for credit to this State's account in the unemployment
12 trust fund.

13 (c) Notwithstanding subsection (b), moneys credited to the
14 State's account in federal fiscal years ending in 2000, 2001,
15 and 2002 shall be used solely for the administration of the
16 unemployment compensation program and are not subject to the
17 specific appropriation requirements of subsection (b) [~~-~~], except
18 that moneys credited in calendar year 2002 with respect to P.L.
19 107-147 shall not be subject to the conditions of this
20 subsection or the two-year limitation requirement specified in
21 subsection (b)."

1 SECTION 3. Act 249, Session Laws of Hawaii 2005, is
2 repealed.

3 SECTION 4. There is appropriated from the unemployment
4 insurance trust fund from moneys deposited pursuant to section
5 383-123(b) the sum of \$10,000,000 or so much thereof as may be
6 necessary for fiscal year 2006-2007 for the purposes specified
7 in this Act as follows:

8 (1) The sum of:

9 (A) \$5,070,557 shall be allocated to the Oahu
10 workforce investment board, which shall work in
11 collaboration with the city and county of
12 Honolulu;

13 (B) \$1,528,331 shall be allocated to the Maui
14 workforce investment board, which shall work in
15 collaboration with the county of Maui;

16 (C) \$1,275,556 shall be allocated to the Kauai
17 workforce investment board, which shall work in
18 collaboration with the county of Kauai; and

19 (D) \$1,925,556 shall be allocated to the Hawaii
20 workforce investment board, which shall work in
21 collaboration with the county of Hawaii,



1 to improve employer outreach and services, labor force
2 pool expansion, capacity building, and to fund some
3 shared costs for the operations of the one-stop career
4 centers within each county; and

5 (2) The sum of \$200,000 shall be allocated to the
6 department of labor and industrial relations to be
7 used by the workforce development council for the
8 funding of positions to identify additional funds and
9 resources to support state-wide activities under this
10 act, with the goal of being self sufficient.

11 The sum appropriated shall be expended by the department of
12 labor and industrial relations for the purposes of this Act;
13 provided that each county workforce investment board shall be
14 required to submit a workforce development plan that shall be
15 approved by the workforce development council prior to the
16 release of funds by the department of labor and industrial
17 relations.

18 SECTION 5. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 6. This Act shall take effect on July 1, 2006.



H.B. NO. 2947
H.D. 2
S.D. 2
C.D. 1

APPROVED this 14 day of JUN, 2006



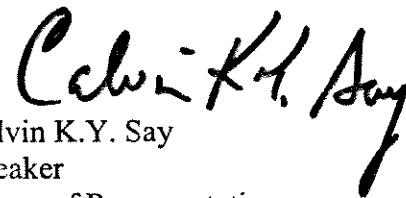
GOVERNOR OF THE STATE OF HAWAII

HB No. 2947 HD 2 SD 2 CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2006
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Calvin K.Y. Say
Speaker
House of Representatives



Patricia Mau-Shimizu
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2006
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Robert Bunda
President of the Senate



Paul Kawaguchi
Clerk of the Senate