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# 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~~[τ]~~i;

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~~[τ]~~i; 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.



HB 2947

HD2 CD1  
SD2

**Report Title:**

Workforce Development; Unemployment Trust Fund; Reed Act Funds; Appropriation ~~21~~

**Description:**

Appropriates \$10,000,000 in federal Reed Act funds previously appropriated for fiscal year 2006-2007. Replaces the counties with the workforce investment boards as recipients of the funds. Requires workforce investment boards to work in collaboration with the counties. Repeals Act 249, SLH 2005. Adds coordinator positions. (HB2947 CD1)

