
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 (DLIR) for the following initiatives:

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

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

17 (A) Employer outreach and services;

18 (B) Labor force pool expansion;



- 1 (C) Capacity building; and
- 2 (D) Servicing and maintaining the one-stop operating
- 3 system;
- 4 and

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

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

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

19 "(b) Administrative use. Moneys credited to the account
20 of this State in the unemployment trust fund by the Secretary of
21 the Treasury of the United States pursuant to section 903 of the
22 Social Security Act, as amended, may be requisitioned and used

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

- 7 (1) [~~specifies~~] Specifies the purposes for which the
8 moneys are appropriated and the amounts appropriated
9 therefor[~~r~~];
- 10 (2) [~~limits~~] Limits the period within which the moneys may
11 be obligated to a period ending not more than two
12 years after the date of the enactment of the
13 appropriation law[~~r~~]; and
- 14 (3) [~~limits~~] Limits the amount [~~which~~] that may be
15 obligated [~~during a twelve-month period beginning on~~
16 ~~July 1 and ending on the next June 30~~] to an amount
17 [~~which~~] that does not exceed the amount by which [~~(A)~~]
18 the aggregate of the amounts credited to the account
19 of this State pursuant to section 903 of the Social
20 Security Act, as amended, [~~during the same twelve-~~
21 ~~month period and the thirty-four preceding twelve-~~
22 ~~month periods~~] exceeds [~~(B)~~] the aggregate of the



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

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

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



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

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

21 SECTION 3. Act 249, Session Laws of Hawaii 2005, is
22 repealed.



1 SECTION 4. There is appropriated from the unemployment
2 insurance trust fund from moneys deposited pursuant to section
3 383-123(b), Hawaii Revised Statutes, the sum of \$20,000,000, or
4 so much thereof as may be necessary for fiscal year 2006-2007
5 for the purposes specified in this Act; provided that of the
6 \$20,000,000 appropriated for the 2006-2007 fiscal year:

7 (1) The sum of:

8 (A) \$9,590,000 shall be allocated to the city and
9 county of Honolulu's workforce investment board;

10 (B) \$2,505,550 shall be allocated to the county of
11 Maui's workforce investment board;

12 (C) \$2,000,000 shall be allocated to the county of
13 Kauai's workforce investment board; and

14 (D) \$3,300,000 shall be allocated to the county of
15 Hawaii's workforce investment board,

16 to improve employer outreach and services, labor force
17 pool expansion, capacity building, and to fund some
18 shared costs for the operations of the one-stop career
19 centers within each county; and

20 (2) The sum of \$2,604,450 shall be allocated to the
21 department of labor and industrial relations to be
22 used by the department of labor and industrial



1 relations, in consultation with local workforce
2 investment boards of each of the four counties, to
3 plan, develop, and implement a computer system that
4 benefits workforce development activities and programs
5 operated by the counties.

6 The sums appropriated shall be expended by the department
7 of labor and industrial relations for the purposes of this Act.

8 SECTION 5. The department of labor and industrial
9 relations shall report back to the legislature at least twenty
10 days prior to the convening of the regular session of 2007 on
11 the status of the timely release of funds appropriated to the
12 counties under this Act. Where delays in the release of the
13 funds are reported to the legislature by the department of labor
14 and industrial relations or the counties, the department of
15 labor and industrial relations shall explain to the legislature
16 why there have been delays in the timely release of these funds,
17 and the department shall submit to the legislature, as soon as
18 practical or at the next earliest sitting of the legislature, a
19 corrective action plan intended to ensure the timely release of
20 these funds.

21 SECTION 6. If any provision of this Act is found to be in
22 conflict with federal requirements that are a prescribed



1 condition for the allocation of federal funds to the State, the
2 conflicting provision of this Act shall be held inoperative
3 solely to the extent of the conflict with respect to the
4 agencies directly affected and shall not affect the operation of
5 the remainder of this Act in its application to the agencies
6 concerned.

7 SECTION 7. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 8. This Act shall take effect upon its approval;
10 provided that section 4 shall take effect on July 1, 2006.



HB2947
HD1

Report Title:

Unemployment Trust Fund; Reed Act Funds; Appropriation

Description:

Appropriates \$20,000,000 for fiscal year 2006-07 in Reed Act funds for a computer system benefiting county workforce development activities, the Oahu workforce investment board, and county workforce investment boards for employer outreach and services, labor force pool expansion and capacity building.
(HB2947 HD1)

