
A BILL FOR AN ACT

RELATING TO LABOR.

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

1 PART I

2 SECTION 1. Career and technical education, including
3 apprenticeship education and job upgrade training, have been an
4 integral component of the community college system of the
5 University of Hawaii (community college system) since 1964. The
6 community college system presently serves as the state's major
7 resource in preparing and re-educating Hawaii's workforce in
8 these changing economic times offering short-term training,
9 certificates, and associate degree programs in more than one
10 hundred twenty specialty areas. In addition, the employment
11 training center of the community college system has developed
12 considerable knowledge and expertise in working with
13 hard-to-serve non-traditional students in a focused job
14 preparation setting. This has significantly improved the
15 state's ability to field a skilled workforce in many different
16 fields.

17 Recent closings of businesses with a long history in
18 Hawaii, as well as the closing of many plantations, including



1 the recent announcement that the Del Monte Corporation will soon
2 cease pineapple operations on Oahu and Kauai, has created a need
3 for a shifting of the skilled labor force. Rapid response to
4 these types of incidences that allow for the expeditious
5 training of workers in other skills that will allow them to
6 return to the labor market is paramount. Providing vocational
7 and industrial training, including training in new and
8 innovative industries, promotes a healthy and productive society
9 and will continue to serve to strengthen our economy.

10 The purpose of this part is to statutorily establish a
11 rapid response development and training program within the
12 community college system of the University of Hawaii.

13 SECTION 2. Chapter 305, Hawaii Revised Statutes, is
14 amended by adding a new part to be appropriately designated and
15 to read as follows:

16 **"PART . RAPID RESPONSE DEVELOPMENT AND TRAINING PROGRAM"**

17 **§305-A Purpose.** The purpose of this part is to establish
18 a rapid response development and training program in the State
19 of Hawaii and to determine the extent to which the employment
20 needs of individuals can be met by either job training, a public
21 service job, or a combination of both.



1 **§305-B Establishment of programs.** (a) There is
2 established within the community college system, a rapid
3 response development and training program for the various
4 industries in the State. The training program shall assist
5 those unemployed and underemployed persons who cannot reasonably
6 be expected to obtain suitable full-time employment without the
7 benefit of training. Instruction and training shall be provided
8 by the department of education, the community college system,
9 the Manoa and Hilo campuses of the University of Hawaii, or
10 other suitable agencies. Where a need is indicated to overcome
11 barriers to possible training, the community college system,
12 either on its own or in cooperation with the various departments
13 and agencies of the State and county governments and private
14 industry, may arrange for transportation, child care, health
15 care, and other aids to employment. The community college
16 system may also formulate and implement a program providing
17 useful public service employment to unemployed persons other
18 than public assistance recipients.

19 (b) The department of human services may formulate and
20 implement a program providing useful public service employment
21 to public assistance recipients. Refusal to accept suitable
22 work as determined by the department of human services without



1 justifiable reasons shall render an unemployed or underemployed
2 recipient ineligible for public assistance.

3 **§305-C Contracts; public and private sectors.** (a) The
4 community college system may enter into contracts for manpower
5 development and training with the department of education, the
6 Manoa and Hilo campuses of the University of Hawaii, or other
7 public agencies.

8 (b) The community college system may enter into contracts
9 with private industry for manpower training and job placement of
10 unemployed persons within those private organizations. The
11 private employer shall be responsible for compensating those
12 persons the minimum wage, and the State may assume the
13 differences in wages, if any, by determining the prevailing wage
14 of persons employed in similar positions in private industry
15 during the contract period for the manpower training.

16 (c) The community college system shall formulate standards
17 and adopt rules to carry out the purposes of this section.

18 **§305-D Administration.** (a) The community college system
19 may plan and administer manpower development and training
20 programs under this part with the advice of the workforce
21 development council.



1 (b) The community college system shall employ persons in
2 each of the four counties for purposes of coordinating the rapid
3 response development and training program for the community
4 college system within the particular county.

5 **§305-E Funds.** The State shall provide funds to cover
6 training costs, such as instructors' salaries, equipment, and
7 supplies. The State shall also provide funds to cover costs of
8 each coordinator position established under section 305-D.

9 **§305-F Type of training.** Training is to be undertaken for
10 those occupations for which there is reasonable expectation of
11 employment upon completion of training with priority given to
12 growth industries, including but not limited to electronics,
13 software, instrumentation, biotechnology, renewable energy,
14 telecommunications, computers, mariculture, aquaculture,
15 tropical agriculture, Hawaiian natural products, and space
16 applications, including astronomical research.

17 **§305-G New industry training program.** (a) There is
18 established the new industry training program, within the rapid
19 response development and training program established under
20 section 305-B, which shall be administered by the community
21 college system. Program moneys may be used:



- 1 (1) To tailor training or retraining programs to meet the
2 needs of qualifying businesses;
- 3 (2) To reimburse instructors for valid and approved
4 expenditures in delivering instruction under the
5 program;
- 6 (3) To rent appropriate training facilities and equipment;
- 7 (4) To purchase or develop materials required to deliver
8 the instruction; and
- 9 (5) For any other training-related expenses of the
10 program.
- 11 (b) The community college system shall use the resources
12 of the University of Hawaii, the high technology development
13 corporation, and other educational and training resources in the
14 public and private sectors throughout the state as may be
15 appropriate to provide pre-employment, employment, or on-the-job
16 training for local residents hired by businesses that are
17 relocating to Hawaii or expanding their local operations. To
18 provide the training, the community college system may contract
19 with public agencies, including the various University of Hawaii
20 campuses, private educational institutions, nonprofit
21 corporations, or private entities.



1 **§305-H Eligibility requirements.** (a) To be eligible for
2 state-assisted training or retraining under section 305-G,
3 businesses shall:

- 4 (1) Be licensed to do business in Hawaii;
- 5 (2) Establish or expand operations in Hawaii; and
- 6 (3) Be engaged in research, development, manufacturing,
7 production, or delivery of services in growth
8 industries, including but not limited to electronics,
9 software, instrumentation, biotechnology, renewable
10 energy, telecommunications, computers, mariculture,
11 aquaculture, tropical agriculture, Hawaiian natural
12 products, and space applications, including
13 astronomical research.

14 (b) The community college system may adopt rules to
15 promote economic expansion within the State by further
16 identifying the businesses and industries that qualify for
17 services and the job positions and persons that are eligible for
18 training under this chapter and may consult with the department
19 of business, economic development, and tourism prior to issuing
20 these rules."



1 SECTION 3. Chapter 305, Hawaii Revised Statutes, is
2 amended by designating sections 305-1 to 305-5 as part I and
3 inserting a title before section 305-1 to read as follows:

4 **"PART I. GENERAL AND ADMINISTRATIVE PROVISIONS"**

5 SECTION 4. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$, or so
7 much thereof as may be necessary for fiscal year 2006-2007, to
8 establish a rapid response development and training program
9 within the community college system of the university of Hawaii.

10 The sum appropriated shall be expended by the University of
11 Hawaii for the purposes of this part.

12 PART II

13 SECTION 5. The purpose of this part is to remove oversight
14 of the manpower and development training program from the state
15 department of labor and industrial relations and reestablish the
16 program within the community college system of the University of
17 Hawaii.

18 SECTION 6. Chapter 305, Hawaii Revised Statutes, is
19 amended by adding a new part to be appropriately designated and
20 to read as follows:

21 **"PART . MANPOWER DEVELOPMENT AND TRAINING"**



1 **§305-A Purpose.** The purpose of this part is to establish
2 manpower development and training programs in the State and to
3 determine the extent to which the employment needs of
4 individuals can be met by job training or a public service job.

5 **§305-B Establishment of programs.** (a) There is
6 established within the community college system, manpower
7 development and training programs for the various industries in
8 the State. The training programs shall assist unemployed and
9 underemployed persons who cannot reasonably be expected to
10 obtain suitable full-time employment without the benefit of
11 training. Instruction and training shall be provided by the
12 department of education, the community college system, the
13 University of Hawaii at Manoa, the University of Hawaii-Hilo, or
14 other suitable agencies. If there is a need to overcome
15 barriers to possible training, the community college system, on
16 its own or in cooperation with the various departments and
17 agencies of the State and county governments and private
18 industry, may arrange for transportation, child care, health
19 care, and other aids to employment. The community college
20 system may also formulate and implement a program providing
21 useful public service employment to unemployed persons other
22 than public assistance recipients.



1 (b) The department of human services may formulate and
2 implement a program providing useful public service employment
3 to public assistance recipients. Refusal to accept suitable
4 work as determined by the department of human services without
5 justifiable reasons shall render an unemployed or underemployed
6 recipient ineligible for public assistance.

7 **§305-C Contracts; public and private sectors.** (a) The
8 community college system may enter into contracts for manpower
9 development and training with the department of education,
10 University of Hawaii at Manoa, University of Hawaii-Hilo or
11 other public agencies.

12 (b) The community college system may enter into contracts
13 with private industry for manpower training and job placement of
14 unemployed persons within private organizations. The private
15 employer shall be responsible for compensating such persons the
16 minimum wage and the State may pay the differences in wages, if
17 any, by determining the prevailing wage of persons employed in
18 similar positions in private industry during the contract period
19 for manpower training.

20 (c) The community college system shall formulate standards
21 and adopt rules to carry out the purposes of this section.



1 **§305-D Compensation.** The State shall pay to each person
2 who is enrolled in a manpower development and training program a
3 weekly compensation equal to the average weekly benefit amount
4 provided under chapter 383. The State may pay to each person
5 who is employed on a public service employment project under
6 section 305-B the prevailing wage of persons employed in similar
7 public employment.

8 **§305-E Administration.** (a) The community college system
9 may plan and administer manpower development and training
10 programs under this part with the advice of the workforce
11 development council.

12 (b) The community college system shall employ persons in
13 each of the four counties for purposes of coordinating the
14 manpower development and training program for the community
15 college system within the particular county.

16 (c) The community college system shall process the payment
17 of weekly compensation as provided under this part.

18 **§305-F Funds.** The State shall provide funds to cover
19 training costs such as instructors' salaries, equipment, and
20 supplies. The State shall also provide funds to cover costs of
21 each coordinator position established under section 305-E.



1 **§305-G Type of training.** Training shall be provided for
2 those occupations for which there is reasonable expectation of
3 employment upon completion of training with priority given to
4 growth industries, including but not limited to electronics,
5 software, instrumentation, biotechnology, renewable energy,
6 telecommunications, computers, mariculture, aquaculture,
7 tropical agriculture, and Hawaiian natural products.

8 **§305-H New industry training program.** (a) There is
9 established the new industry training program, which shall be
10 administered by the community college system. Program moneys
11 may be used:

- 12 (1) To tailor training or retraining programs to meet the
13 needs of qualifying businesses;
- 14 (2) To reimburse instructors for valid and approved
15 expenditures in delivering instruction under the
16 program;
- 17 (3) To rent appropriate training facilities and equipment;
- 18 (4) To purchase or develop materials required to deliver
19 the instruction; and
- 20 (5) For any other training-related expenses of the
21 program.



1 (b) The community college system shall use the resources
2 of the University of Hawaii, the high technology development
3 corporation, and other educational and training resources in the
4 public and private sectors throughout the state as may be
5 appropriate to provide pre-employment, employment, or on-the-job
6 training for local residents hired by businesses that are
7 relocating to Hawaii or expanding their local operations. The
8 community college system may contract with public agencies,
9 including the various University of Hawaii campuses, private
10 educational institutions, nonprofit corporations, or private
11 entities.

12 **§305-I Eligibility requirements.** (a) To be eligible for
13 state-assisted training or retraining under section 305-H,
14 businesses shall:

- 15 (1) Be licensed to do business in Hawaii;
16 (2) Establish or expand operations in Hawaii; and
17 (3) Be engaged in research, development, manufacturing,
18 production, or delivery of services in growth
19 industries, including but not limited to electronics,
20 software, instrumentation, biotechnology, renewable
21 energy, telecommunications, computers, mariculture,
22 aquaculture, tropical agriculture, Hawaiian natural



1 products, and space applications, including
2 astronomical research.

3 (b) The community college system may adopt rules to
4 promote economic expansion within the State by further
5 identifying the businesses and industries that qualify for
6 services and the job positions and persons that are eligible for
7 training under this chapter and may consult with the department
8 of business, economic development, and tourism prior to issuing
9 these rules."

10 SECTION 7. Chapter 394, Hawaii Revised Statutes, is
11 repealed.

12 SECTION 8. Section 383-128, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) The moneys in the employment and training fund may be
15 used for funding:

16 (1) The operation of the state employment service for
17 which no federal funds have been allocated;

18 (2) Business-specific training programs to create a more
19 diversified job base and to carry out the purposes of
20 the new industry training program pursuant to section

21 [~~394-87~~] 305-H;



- 1 (3) Industry or employer-specific training programs where
- 2 there are critical skill shortages in high growth
- 3 occupational or industry areas;
- 4 (4) Training and retraining programs to assist workers who
- 5 have become recently unemployed or likely to be
- 6 unemployed;
- 7 (5) Programs to assist residents who do not otherwise
- 8 qualify for federal or state job training programs to
- 9 overcome employment barriers; and
- 10 (6) Training programs to provide job-specific skills for
- 11 individuals in need of assistance to improve career
- 12 employment prospects."

13 SECTION 9. There is appropriated out of the general
 14 revenues of the State of Hawaii the sum of \$, or so
 15 much thereof as may be necessary for fiscal year 2006-2007, to
 16 hire coordinators for the community college system manpower
 17 development and training program.

18 The sum appropriated shall be expended by the community
 19 college system for the purposes of this part.

20 PART III

21 SECTION 10. This part:

- 1 (1) Appropriates Reed Act moneys to the community college
2 system of the University of Hawaii for the
3 administration of public employment offices within the
4 jurisdiction of the county workforce investment
5 boards, specifically to:
- 6 (A) Provide seed moneys to be used in consultation
7 with the local workforce investment boards of
8 each of the four counties, to develop and
9 implement plans that benefit employment service
10 programs operated by the counties;
- 11 (B) Allow the four local workforce investment boards
12 of each of the four counties to:
- 13 (i) Improve employer outreach and services;
- 14 (ii) Improve labor force pool expansion;
- 15 (iii) Improve capacity building; and
- 16 (iv) Support administration and service delivery
17 of employment and information services in
18 the one-stop operating system;
- 19 and
- 20 (2) Provide funds for any infrastructure and support costs
21 of county employment service programs.



1 SECTION 11. There is appropriated from the unemployment
2 trust fund from moneys deposited pursuant to section 383-123(b)
3 the sum of \$, or so much thereof as may be necessary
4 for fiscal year 2006-2007, for the administrative expenses of
5 the employment security program as administered by the county
6 workforce investment boards.

7 The sums appropriated shall be expended by the community
8 college system for the purposes of this part.

9 SECTION 12. No funds appropriated for purposes of section
10 383-123(b) or (c), Hawaii Revised Statutes, to the community
11 college system for use by the community college system, may be
12 released by the governor to the community college system, until
13 all funds appropriated by the legislature for the benefit of the
14 counties under section 11 have been timely, fully, and
15 completely released to the counties as intended by the
16 legislature.

17 The allotment system powers granted to the governor and the
18 executive branch by the legislature under part II of chapter 37,
19 Hawaii Revised Statutes, shall not apply to the appropriation of
20 federal Reed Act funds in section 383-123(b) or (c), Hawaii
21 Revised Statutes, as the appropriation of federal moneys does
22 not affect the solvency of the general fund.



1 SECTION 13. The community college system shall report to
2 the legislature at least twenty days prior to the convening of
3 the regular session of 2007 on the status of the timely release
4 of funds appropriated for the benefit of the counties under this
5 part. The department shall make another report to the
6 legislature at least twenty days prior to the convening of the
7 regular session of 2008 on the status of the timely release of
8 the year two funds appropriated for the benefit of the counties
9 under this part. Where a delay in the release of these funds is
10 reported to the legislature by the community college system, the
11 community college system shall explain the delay to the
12 legislature and shall submit to the legislature, as soon as
13 practicable, a corrective action plan intended to ensure the
14 timely release of these funds.

15 PART IV

16 SECTION 14. All rights, powers, functions, and duties of
17 the state department of labor and industrial relations regarding
18 manpower development and training programs are transferred to
19 the community college system of the University of Hawaii.

20 All officers and employees whose functions are transferred
21 by this Act shall be transferred with their functions and shall



1 continue to perform their regular duties upon their transfer,
2 subject to the state personnel laws and this Act.

3 No officer or employee of the State having tenure shall
4 suffer any loss of salary, seniority, prior service credit,
5 vacation, sick leave, or other employee benefit or privilege as
6 a consequence of this Act, and such officer or employee may be
7 transferred or appointed to a civil service position without the
8 necessity of examination; provided that the officer or employee
9 possesses the minimum qualifications for the position to which
10 transferred or appointed; and provided that subsequent changes
11 in status may be made pursuant to applicable civil service and
12 compensation laws.

13 An officer or employee of the State who does not have
14 tenure and who may be transferred or appointed to a civil
15 service position as a consequence of this Act shall become a
16 civil service employee without the loss of salary, seniority,
17 prior service credit, vacation, sick leave, or other employee
18 benefits or privileges and without the necessity of examination;
19 provided that such officer or employee possesses the minimum
20 qualifications for the position to which transferred or
21 appointed.



1 If an office or position held by an officer or employee
2 having tenure is abolished, the officer or employee shall not
3 thereby be separated from public employment, but shall remain in
4 the employment of the State with the same pay and classification
5 and shall be transferred to some other office or position for
6 which the officer or employee is eligible under the personnel
7 laws of the State as determined by the head of the department or
8 the governor.

9 SECTION 15. All appropriations, records, equipment,
10 machines, files, supplies, contracts, books, papers, documents,
11 maps, and other personal property heretofore made, used,
12 acquired, or held by the state department of labor and
13 industrial relations relating to the functions transferred to
14 the community college system of the University of Hawaii shall
15 be transferred with the functions to which they relate.

16 SECTION 16. If any provision of this Act is found to be in
17 conflict with federal requirements that are a prescribed
18 condition for the allocation of federal funds to the State, the
19 conflicting provision of this Act shall be held inoperative
20 solely to the extent of the conflict with respect to the
21 agencies directly affected, and shall not affect the operation

1 of the remainder of this Act in its application to the agencies
2 concerned.

3 SECTION 17. In codifying the new parts added to chapter
4 305, Hawaii Revised Statutes, by sections 2 and 6 of this Act,
5 the revisor of statutes shall substitute appropriate section
6 numbers for letters used in designating the new sections in this
7 Act.

8 SECTION 18. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 19. This Act shall take effect on July 1, 2006.



Report Title:

Workforce Development Act; UH; Reed Act Funds; Appropriation

Description:

Establishes the rapid response development and training program within the community college system; transfers the manpower development and training program from the DLIR to the UH community college system; makes appropriation to UH for rapid response development and training program and to community college system for manpower development and training program.
(SD2)

