

Honolulu, Hawaii

Ag: 128, 2006

RE: H.B. No. 2947
H.D. 2
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2947, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to improve workforce development by:

- (1) Increasing the amount of federal Reed Act funds previously appropriated out of the Unemployment Insurance Trust Fund for fiscal year 2006-2007 under Act 249, Session Laws of Hawaii 2005 (Act 249);
- (2) Specifying that funds appropriated shall be allocated to the counties;



- (3) Requiring that the counties work in collaboration with the workforce investment boards of each county;
- (2) Repealing the requirement under Act 249 that allocations of the funds must first be made to the workforce investment boards before they can be made to the Department of Labor and Industrial Relations (DLIR); and
- (3) Repealing the requirement that the allotment system is inapplicable to the allocation of the funds.

Last year, the Governor did not properly veto S.B. No. 813 and this legislation became Act 249, Session Laws of Hawaii 2005. This law appropriated approximately double what the Administration wanted to appropriate to the counties for workforce development. Despite the severability language contained in the law, the Administration has refused to release any of this money to the counties.

Your Committee on Conference finds that the funds are needed for workforce development. Appropriating funds to the workforce investment boards and requiring the boards to work in collaboration with their respective counties will go a long way toward effectively addressing Hawaii's workforce development issues.

While your Committee on Conference strongly believes that Act 249 correctly and legitimately took effect by operation of law, your Committee on Conference is aware that the legitimacy of Act 249 is still in dispute.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Inserting a purpose section;
- (2) Inserting language conforming state statute to federal law to allow the use of Reed Act funds distributed in 2002 to provide unemployment insurance (UI) benefits and for the administration of the State's UI system, including its public employment offices;
- (3) Allocating \$9,800,000, rather than \$10,000,000, of the \$31,000,000 in Reed Act funds to provide additional funding to the county workforce investment boards for, among other things, employer outreach services, labor force pool expansion, and capacity building;



- (4) Specifying that the appropriated funds be allocated to the workforce investment boards which shall work in collaboration with their respective counties;
- (5) Adjusting the amounts allocated to each workforce investment board;
- (6) Deleting funds appropriated to DLIR to plan, develop, and implement a computer system that benefits workforce development activities and programs operated by the counties;
- (7) Allocating \$200,000 to DLIR to be used by the Workforce Development Council (Council) for the funding of positions to identify additional funds and resources to support state-wide workforce development activities, with the goal of being self sufficient;
- (8) Requiring each workforce investment board to submit a workforce development plan to the Council for approval prior to the release of funds by DLIR;
- (9) Inserting language repealing Act 249; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

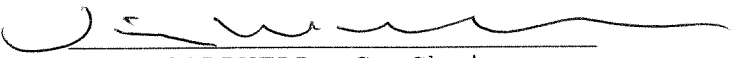
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2947, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2947, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE


BRIAN KANNO, Chair


KIRK CALDWELL, Co-Chair




BRIAN T. TANIGUCHI, Co-Chair


BOB NAKASONE, Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: HB 2947, HD 2, SD 2	Date/Time: 4/28/06 5:35 P.M.
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E		
KANNO, Brian, Chr.	✓	✓			CALDWELL, Kirk, Co-Chr.	✓	✓				
TANIGUCHI, Brian T., Co-Chr.	✓	✓			NAKASONE, Bob, Co-Chr.	✓	✓				
Espero				✓	PINE, Kymberly				✓		
TOTAL		2	0	0	1	TOTAL		2	0	0	1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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