

Honolulu, Hawaii

MAR 16 2006

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

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

Sir:

Your Committee on Labor, to which was referred H.B. No. 2947,
H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to repeal Act 249, Session
Laws of Hawaii 2005.

This measure also:

- (1) Amends the law relating to the use of unemployment trust fund moneys to conform to P.L. 107-147, the Temporary Extended Unemployment Compensation Act of 2002, because the requirements for Reed Act funds distributed in 2002 differ from those of prior special Reed Act distributions;
- (2) Appropriates \$20,000,000 from the unemployment insurance trust fund in fiscal year 2006-2007 to improve the services of the unemployment insurance and workforce development divisions of the Department of Labor and Industrial Relations (DLIR), provided that:
 - (A) \$9,590,000 to the Honolulu Workforce Investment Board;
 - (B) \$2,505,550 to the Maui Workforce Investment Board;



- (C) \$2,000,000 to the Kauai Workforce Investment Board;
 - (D) \$3,300,000 to the Hawaii Workforce Investment Board; and
 - (E) \$2,604,450 to the Department of Labor and Industrial Relations; and
- (3) Requires DLIR to report to the Legislature on the status of the timely release of funds appropriated under the Act to the counties.

Testimony in support of this measure was submitted by the Oahu Workforce Investment Board. Comments on this measure were submitted by DLIR and the Department of the Attorney General.

Your Committee finds that pursuant to Act 249, SLH 2005, the law was amended to allow for the utilization of 2002 Reed Act funds. Additionally, Act 249 provided for the appropriation of funds from the unemployment trust fund to improve the services of the unemployment insurance and workforce development divisions of DLIR. Within the appropriations made to the several county workforce investment boards, the moneys appropriated to the County of Hawaii were directed to be expended on the eradication of coqui frogs and other invasive species. No funds appropriated under the Act have been expended by the specified entities.

The Attorney General has opined that Act 249 did not become law; however, it is the Legislature's position that the Governor's veto of Senate Bill No. 813, C.D. 1, was defective and that Act 249 is good law. Therefore, your Committee believes that it is unnecessary to repeal and then reinstate the current law. However, in order to avoid further delays in the expenditure of the funds appropriated under the Act, the portions of Act 249 that appropriate funds for the eradication of coqui frogs and other invasive species and establish restrictions on the release of funds by DLIR should be repealed. These changes in the law should facilitate the prompt release of funds to the appropriate entities so that they may begin to make necessary improvements and changes to workforce development services.

Accordingly, your Committee has amended this measure by deleting its contents and replacing it with the substance of S.B.



No. 3022, S.D. 1. As amended, this measure amends Act 249, SLH 2004, by:

- (1) Removing the requirement that funds appropriated to the county of Hawaii workforce investment board be expended for the eradication of coqui frogs and other invasive species;
- (2) Repealing the appropriation of funds for fiscal year 2005-2006 that were not released by the Governor;
- (3) Amending the appropriation amounts for fiscal year 2006-2007 by providing:
 - (A) \$9,590,000 to the Honolulu Workforce Investment Board;
 - (B) \$2,505,550 to the Maui Workforce Investment Board;
 - (C) \$2,000,000 to the Kauai Workforce Investment Board;
 - (D) \$3,300,000 to the Hawaii Workforce Investment Board; and
 - (E) \$2,604,450 to the Department of Labor and Industrial Relations (DLIR); and
- (4) Repealing section 4, which:
 - (A) Prohibited the release of funds appropriated under the Act by the Governor to DLIR until all funds appropriated for the counties have been so released; and
 - (B) Specified that the appropriation of funds under the Act were not subject to the allotment system powers under part II of chapter 37, HRS.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2947, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2947, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Labor,

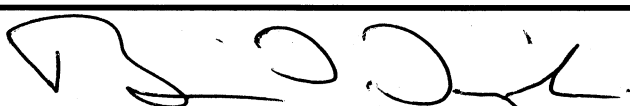


BRIAN KANNO, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

Record of Votes of the
Committee on Labor
(Bills and Resolutions)

| | | |
|---|---|---|
| Measure:* | Committee Referral: | Date: |
| HB 2947 HD2 | LBR, WAM | 3-13-06 |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | |
| The Recommendation is to: | | |
| <input type="checkbox"/> Pass, unamended (2312) | <input checked="" type="checkbox"/> Pass, with amendments (2311) | <input type="checkbox"/> Hold (2310) |
| <input type="checkbox"/> Recommit (2313) | | |
| Members | Ayes | Ayes(WR) |
| Nays | Excused | |
| KANNO, Brian (C) | ✓ | |
| IHARA, Jr., Les (VC) | | ✓ |
| TANIGUCHI, Brian T. | ✓ | |
| SLOM, Sam | | ✓ |
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| TOTAL | 2 | 1 |
| 1 | | |
| Recommendation: | | |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | |
| Chair's or Designee's Signature: | | |
|  | | |
| Distribution: | | |
| Original File with Committee Report | Yellow Clerk's Office | Pink Drafting Agency |
| | | Goldenrod Committee File Copy |

*Do not list more than one measure per Record of Votes.