

**TESTIMONY OF THE STATE ATTORNEY GENERAL  
TWENTY-FOURTH LEGISLATURE, 2008**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 2876, RELATING TO EMPLOYMENT SECURITY.

**BEFORE THE:**

HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

**DATE:** Tuesday, March 11, 2008 **TIME:** 9:00 AM

**LOCATION:** State Capitol, Room 309

*Deliver to: State Capitol, Room 424, 5 Copies*

**TESTIFIER(S):** Mark J. Bennett, Attorney General  
or Li-Ann Yamashiro, Deputy Attorney General

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Chair Sonson and Members of the Committee:

This bill appropriates "Reed Act" moneys from the unemployment insurance trust fund to be used by the counties for workforce investment activities.

We would like to point out a concern with paragraph (2), section 1 of this bill. Paragraph (2) provides the following:

The sum of \$ shall be allocated to the department of labor and industrial relations to be used by the workforce development council for the funding of positions to identify additional funds and resources to support statewide activities under this Act, with the goal of being self-sufficient.

Reed Act moneys can be used in the same manner as moneys under the Wagner-Peyser Act. See Training and Employment guidance Letter 18-01 attached. Thus, Reed Act moneys can be used "to support the administration and service delivery of employment and workforce information services" such as "[s]taff for delivery of appropriate core and intensive service employment services." *Id.* at 4-5. Such services include activities such as job search and placement services to job seekers such as counseling, testing, occupational and labor market information, assessment, and referral to employers, but not to raise funds as set forth in the underlined wording quoted above from section 1 of the bill. Section 7(a) through (c) of the

Wagner-Peyser Act. (A copy of section 7 is attached). The wording in section 1 of this bill is almost identical to the wording of section 4 of Act 190, Session Laws of Hawaii 2006. Act 123, Session Laws of Hawaii 2007, struck the wording underlined above from Act 190.

Therefore, we respectfully request that the wording "for the funding of positions to identify additional funds and resources" and "with the goal of being self-sufficient" be deleted from section 1(2) of this bill.

<b>U.S. DEPARTMENT OF LABOR</b> <b>Employment and Training Administration</b> <b>Washington, D. C. 20210</b>	<b>CLASSIFICATION</b>
	Reed Act
	<b>CORRESPONDENCE SYMBOL</b>
	OWS/OIS/DL
	<b>ISSUE DATE</b>
	April 22, 2002
<b>RESCISSIONS</b>	<b>EXPIRATION DATE</b>
None	Continuing

**ADVISORY : TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 18-01**

**TO : ALL STATE WORKFORCE LIAISONS  
 ALL STATE WORKFORCE AGENCIES  
 ALL STATE WORKER ADJUSTMENT LIAISONS  
 ALL ONE-STOP CENTER SYSTEM LEADS**

**FROM : EMILY STOVER DeROCCO  
 Assistant Secretary**

**SUBJECT : Reed Act Distribution**

1. **Purpose.** To advise states of the federal law requirements applicable to the \$8 billion Reed Act distribution made on March 13, 2002.
2. **References.** Section 209 of the Temporary Extended Unemployment Compensation Act of 2002 (TEUCA), which is Title II of the Job Creation and Worker Assistance Act of 2002, Public Law No. 107-147, signed by the President on March 9, 2002; Title IX of the Social Security Act (SSA); the Federal Unemployment Tax Act (FUTA); and Unemployment Insurance Program Letter (UIPL) 39-97 (62 Fed. Reg. 63960 (December 3, 1997)), UIPL 39-97, Change 1 (January 16, 2002) and UIPL 20-02 (April 4, 2002).
3. **Background.** On March 13, 2002, an \$8 billion distribution was made to the states' accounts in the Unemployment Trust Fund. The TEUCA labeled this transfer a "Reed Act" distribution although it differs from traditional Reed Act distributions, most notably because it was a set dollar amount, made without regard to the statutory ceilings in the federal accounts. Each state was advised of its share of this distribution in UIPL 20-02.

Like other Reed Act distributions, federal law governs how states may use this money. This \$8 billion Reed Act distribution is available for the payment of unemployment compensation (UC) and the administration of the state's UC law and its public employment service (ES) offices.

While the use of this \$8 billion distribution is limited by many of the same requirements that apply to other Reed Act distributions, there are also differences. Using a question and answer format, Attachment I explains these differences and other amendments to federal law relating to the Reed Act, and answers questions that have arisen since the TEUCA became law. A separate

advisory which discusses suggested uses for the \$8 billion Reed Act distribution is under development.

4. **Action.** State administrators should distribute this advisory to appropriate staff. States must adhere to the requirements of federal law that are contained in this advisory.
5. **Inquiries.** Questions should be addressed to your Regional Office.
6. **Attachments.** I. REED ACT DISTRIBUTIONS UNDER THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 2002 - QUESTIONS AND ANSWERS II. TEXT OF SECTION 209 OF THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 2002



**REED ACT DISTRIBUTIONS UNDER THE TEMPORARY EXTENDED  
UNEMPLOYMENT COMPENSATION ACT OF 2002  
QUESTIONS AND ANSWERS**

**IN GENERAL**

**1. Question:** How was my state's share of the total amount of the \$8 billion Reed Act distribution determined?

**Answer:** In general, each state's share is based on its proportionate share of FUTA taxable wages for calendar year 2000. The specific formula is as follows:

- First, the amount of Reed Act moneys that would have been distributed in October 2001, had the distribution not been capped at \$100 million, was determined. This amount was about \$9.34 billion. (Section 903(d)(2)(A)(i), SSA, as added by the TEUCA.)
- Second, each state's share of the \$9.34 billion was determined based on the state's proportionate share of FUTA taxable wages in calendar year 2000. (Section 903(d)(2)(A), SSA, as added by the TEUC, and Section 903(a)(2), SSA.)
- Third, each state's share of the \$100 million actually distributed in October 2001 was deducted. This resulted in a figure of about \$9.24 billion. (Section 903(d)(2)(A)(ii), SSA, as added by the TEUCA.)
- Fourth, the \$8 billion cap was applied. (Section 903(d)(2)(B)(i), SSA, as added by the TEUCA.) According to Section 903(d)(2)(B)(ii), SSA, as added by the TEUCA, this reduction is applied "ratably." This means that each state's share of the \$9.24 billion was reduced proportionately to result in the \$8 billion distribution.

**2. Question:** My state has borrowed under Title XII, SSA, so that it can continue to pay benefits. Does this affect my Reed Act distribution?

**Answer:** Yes. The amendments state that the existing provisions applying to any outstanding advances shall apply. Specifically, Section 209(c), TEUCA, provides that Section 903(b), SSA, "shall apply to" the \$8 billion Reed Act transfer. Section 903(b)(2), SSA, provides that the Reed Act distribution for a state will be reduced "by the balance of advances made to the State under section 1201, SSA" for purposes of reducing the outstanding loan. The upshot is that the state with an outstanding loan receives its full share of the distribution in terms of dollars; however,

the amount distributed as Reed Act moneys is reduced or eliminated depending on whether the outstanding advance exceeds the state's share of Reed Act funds.

**3. Question:** For what may the \$8 billion distribution be used?

**Answer:** As is the case with regular Reed Act distributions, the amounts are limited to the payment of UC and the administration of the state's UC law and its system of public employment offices. More specific information is provided in the Questions and Answers under "Use for Benefits" and "Use for UC and ES Administration." Details about requirements related to use of these funds are provided in a series of Questions and Answers below.

**4. Question:** If the \$8 billion transfer is limited to the payment of certain administrative costs and the payment of UC, does this mean it may not be used to reduce employer taxes?

**Answer:** No. The use limitations apply only to expenditures. A state's share of the Reed Act distribution may increase the balance in the state's unemployment fund, and, as a result, lower employer taxes. Employer rates must, however, continue to be assigned on the basis of an employer's experience as provided under Section 3303(a)(1), FUTA.

#### **USE FOR BENEFITS**

**5. Question:** Is the use for benefits of the \$8 billion distribution in any way restricted? For example, is it restricted to the payment of part-time workers or payments based on alternative base periods?

**Answer:** There are some restrictions. In general, the distribution may be used for the payment of regular compensation, including increased weekly benefit amounts, and certain payments of additional compensation, but not for the state's share of extended benefits (EB). More specifically, the distribution may be used for any of the following benefit purposes for weeks of unemployment beginning after March 9, 2002:

- The distribution may be used for the payment of "regular compensation." (Section 903(d)(3)(B)(i)(I), SSA, as added by the TEUCA.) Thus, any amount of regular UC payable under the state's UC law is permissible.
- "At the option of the State," the regular compensation "may include amounts which shall be payable to 1 or more categories of individuals not otherwise eligible for regular compensation," including part-time workers and those individuals who would qualify under an alternative base period. (Section 903(d)(3)(C), SSA, as added by the TEUCA.) Since this provision simply lists options, it is not exhaustive. However, if a state amends

- 3 -

its law to pay any of these additional categories, the UC paid to such individuals "may not, for any period of unemployment, exceed the maximum amount of regular compensation authorized" under the state's UC law for the same period. Thus, if the state elects to pay these special categories out of this \$8 billion Reed Act distribution, the benefit entitlement is limited to that applicable to other workers. For example, a worker using an alternative base period under this provision is limited to using it for purposes of qualifying for the same weekly and maximum benefit amounts as other workers.

- The distribution may be used for the payment of “additional compensation,” but only upon the exhaustion of TEUC for individuals who would be “eligible for regular compensation,” but for the fact that they had exhausted entitlement to that regular compensation (Section 903(d)(3)(B)(i)(II), SSA, as amended by the TEUCA.) “Additional compensation” is defined as “compensation payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors.” (Section 205(d) of the Federal-State Extended Unemployment Compensation Act of 1970, as amended.)
- The distribution may not be used for the state share of EB under the Federal-State Extended Unemployment Compensation Act of 1970. The distribution may only be used for payment of regular and additional compensation as described above.

Note that, if a payment is not allowed under the Reed Act requirements, the state may instead pay the amount from other moneys in its unemployment fund as long as the payment meets the definition of “compensation,” that is, cash benefits payable to individuals with respect to their unemployment. (Section 3306(h), FUTA.)

**6. Question:** There are workers in my state who exhausted regular compensation, but who are not eligible for TEUC. May I pay additional compensation to these workers from this Reed Act distribution? Does this additional compensation fall under the “categories of individuals not otherwise eligible for regular compensation?”

**Answer:** The answer to both questions is “no.” Since the use of the Reed Act moneys for additional compensation is explicitly restricted to TEUC exhaustees, additional compensation does not fall under the “categories of individuals not otherwise eligible for regular compensation.” Since the examples of these categories pertain only to payments of regular compensation, they do not authorize the payment of additional compensation to individuals ineligible for TEUC. (Section 903(d)(3)(C)(iii), SSA, as amended by the TEUCA.)

**7. Question:** May my state use the \$8 billion Reed Act distribution to pay for weeks of unemployment occurring prior to the date of enactment (March 9, 2002)?

- 4 -

**Answer:** No. The law explicitly limits payments to “weeks of unemployment beginning after the date of enactment.” (Section 903(d)(3)(D), SSA, as amended by the TEUCA.)

**8. Question:** Do the amendments change the treatment of EB due to the receipt of additional benefits?

**Answer:** Yes. Under current EB law, any additional compensation received by an individual causes a reduction in the amount of EB payable. (Section 202(b)(1) of the Federal-State Extended Unemployment Compensation Act of 1970.) However, the amendments supersede this requirement. Additional compensation paid from the \$8 billion Reed Act distribution, which is paid “upon the exhaustion” of TEUC, does not reduce EB entitlement by the amount of

additional benefits paid. (Section 903(d)(3)(B)(ii), SSA, as added by the TEUCA.) The additional compensation to which this provision applies need not be created following the Reed Act distribution; it may be a longstanding state program. Instead, the key is whether the state uses the \$8 billion distribution to finance these benefits. Once there are no longer TEUC exhaustees in the claimant population, this exception will have no effect.

## **USE FOR UC AND ES ADMINISTRATION**

**9. Question:** If my state wants to use the \$8 billion Reed Act distribution for administrative purposes, must my state's legislature first appropriate the money?

**Answer:** Yes. The appropriation is explicitly required. (Specifically, Section 903(d)(4), SSA, as added by the TEUCA, says the distribution may be used for administrative purposes "subject to" the appropriation requirements of Section 903(c)(2), SSA.) However, the amendments also provide that one of the existing state appropriation requirements does not apply. State appropriations are not required to specify that moneys appropriated must be obligated within the two-year period beginning on the date of enactment of the state's appropriation law. States are free to obligate moneys beyond this two-year date. (State law may, however, restrict the obligation period to two years or less.)

**10. Question:** Prior to the enactment of the TEUCA, my state enacted an appropriation allowing Reed Act moneys distributed in fiscal year 2002 to be used for UC administrative purposes. Does this appropriation allow my state to use some/all of its share of the \$8 billion Reed Act distribution for UC administration?

**Answer:** The Department has previously permitted Reed Act moneys to be appropriated in advance of their availability. Therefore, it is possible that an existing state appropriation of fiscal year 2002 Reed Act moneys permits the expenditure for UC administration of the state's share of the \$8 billion Reed Act distribution. The state will need to examine its Reed Act appropriation

- 5 -

law to determine if it is sufficiently broad to permit expenditure of amounts transferred to it under Section 903(d), SSA. Also, the state will need to determine if its general appropriation laws permit this.

**11. Question:** How long is the \$8 billion Reed Act distribution available for administrative purposes?

**Answer:** There is no time limit on the use of this distribution (or any other Reed Act distribution) for administrative purposes.

**12. Question:** May the \$8 billion Reed Act distribution be used for the administration of my state's One-Stop system?

**Answer:** Yes. Reed Act moneys may be used for the "administration of . . . public employment offices." (Section 903(c)(2), SSA.) The Department has in the past taken the position that

“administration of . . . public employment offices” means any function fundable under the Wagner-Peyser Act. As a result, Reed Act funds may be used in the same manner that Wagner-Peyser Act funds are used to support One-Stop systems. Examples of activities that support administration and service delivery of employment and workforce information services in One-Stop offices include:

- Staff for delivery of appropriate core and intensive service employment services;
- Equipment and resources for resource rooms;
- Payment for rent, utilities, and maintenance of facilities, including common spaces such as resource rooms, reception areas, conference areas, etc. in accordance with cost sharing guidelines;
- Shared costs for operation of local one-stops including payment for one-stop operators in accordance with cost sharing guidelines;
- Development of products that support service delivery such as labor market information products and job bank technology;
- Computer equipment, network equipment, telecommunications equipment, application development, and other technology resources, including assisted technology, that support employment and workforce information service delivery;
- Outreach and educational materials targeted at users of one-stop employment and workforce information services;
- Training, technical assistance, and professional development of staff who deliver employment and workforce information services.

- 6 -

This list is not exhaustive, but only intended to provide examples of activities in the One-Stop system for which Reed Act funds may be used. Guidelines on permissible uses of Wagner-Peyser funds are found in 20 CFR Parts 652 and 667. In addition, the Department plans to post guidance entitled *One-Stop Comprehensive Financial Management Technical Assistance Guide* on Employment and Training Administration websites in the near future.

**13. Question:** May the \$8 billion Reed Act distribution be used to pay the costs of job training?

**Answer:** No. Except for training provided to UC and ES staff, Reed Act moneys may not be used to provide occupational skill training because this training is not a cost of administering either the state’s UC law or its public employment offices. Just as with Wagner-Peyser funds, the Reed Act moneys may, however, be used for activities that are presented in a training format or a group setting but generally fall within the category of job search and placement services (e.g., teaching individuals how to interview for a job or how to complete a resume).

**14. Question:** My state is using its share of the \$8 billion Reed Act distribution to pay the benefits costs associated with the enactment of an alternative base period (or other expansion). How will my state’s implementation costs be paid?

**Answer:** A state may use its UC grant to pay for these implementation costs. Alternatively, since Reed Act moneys may be used for administration of the state's UC law, the state may appropriate Reed Act moneys to pay for costs of implementation.

**15. Question:** Will my state be able to use UC and ES administrative grants to amortize Reed Act purchases made with my state's share of the \$8 billion distribution?

**Answer:** Yes. Amortization relates to the permissible use of UC and ES administrative grants; this area is not addressed by the TEUCA. See UIPLs 39-97 and UIPL 39-97, Change 1, for guidance on when amortization is permissible.

**16. Question:** Is OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, applicable to the \$8 billion distribution or any other Reed Act distribution?

**Answer:** No. OMB Circular A-87 applies only to federal grants and cooperative agreements and Reed Act funds are neither. Use of Reed Act funds for administrative activities is governed by Section 903(c)(2), SSA, which limits use to administration of the state's UC law and/or public employment offices under the conditions specified in that section. However, since Reed Act moneys may not pay costs for non-UI/non-ES programs, in cases where an activity (such as purchasing a multi-agency computer) benefits other activities, it will still be necessary to ensure that non-UI/non-ES costs are not paid from Reed Act funds. In these cases, states must allocate

- 7 -

costs. Although states will not be required to submit cost allocation plans in such cases, in the event any plan is reviewed by the Department, cost allocation requirements applicable to grants will be applied to the plan.

**17. Question:** May I withdraw some or all of the \$8 billion Reed Act distribution and use it to set up an administrative fund at the state level that would earn interest that could be used for administrative expenses?

**Answer:** No. Withdrawing amounts to create an investment fund at the state level is inconsistent with the limitations on the use of Reed Act moneys. That is, the Reed Act moneys would not be used for the payment of compensation or the administration of the state's UC law or system of public employment offices. Instead, the money would be withdrawn for purposes of investment. See page 12 of Attachment I to UIPL 39-97.

**18. Question:** If my state uses the \$8 billion Reed Act distribution to pay for benefits, may the amounts so used be restored so that the state can use them for administrative payments?

**Answer:** No. The restoration provisions of the SSA are limited to "amounts transferred to the account of a State pursuant to subsections (a) and (b)" of Section 903, SSA. (Emphasis added; Section 903(c)(3)(A)(i), SSA.) The \$8 billion Reed Act distribution was not transferred to states under these two subsections; instead it was transferred under subsection (d) of Section 903, as added by the TEUCA.



**19. Question:** May the interest earned on the Reed Act balances be used for UC and ES administration?

**Answer:** No. The amount of any Reed Act distribution is limited to the actual dollar amount transferred to the states. Therefore, interest earnings are not available for administrative purposes.

#### **\$100 MILLION DISTRIBUTIONS MADE IN 1999 - 2001**

**20. Question:** Do the amendments affect the use of the capped \$100 million Reed Act distributions that were made in October of 1999, 2000, and 2001?

**Answer:** No. Although the TEUCA amendments repealed those provisions of Section 903, SSA, addressing these capped distributions, it also contained a savings clause providing that “[a]ny amounts transferred before the date of enactment of this Act . . . shall remain subject to section 903 of the Social Security Act, as last in effect before such date of enactment.” (Section 209(a)(2), TEUCA.) Since all these capped distributions were transferred prior to the TEUCA’s

- 8 -

enactment, their use continues to be restricted to UC administration, and no appropriation by the state legislature is required. Although there is some indication in the legislative history that Congress intended to repeal this use limitation and reimpose the appropriation requirement, the plain language of the law produces the opposite result.

#### **STATE REED ACT LAWS**

**21. Question:** Is the Department providing draft appropriation language?

**Answer:** Two alternative versions of draft language were provided in Attachment II of UIPL 39-97. Both of these may be used without change, except as noted in the following paragraph. Also, Alternative II may be modified to delete the provision required by Section 2 of that alternative, which pertains to the 2-year limitation on obligations since, as explained above, the 2-year limitation does not apply to the \$8 billion distribution.

Care should be taken in crafting state appropriation bills to assure the source of the Reed Act moneys is clear. There should be no doubt about whether the moneys used derive from traditional Reed Act distributions (those made in the 1950’s and in October of 1998); the \$100 million distributions made in October of 1999, 2000, and 2001; and the \$8 billion Reed Act distribution. The state may indicate that it is using its share of the \$8 billion by specifically referencing Section 903(d), SSA, in the appropriation bill or referencing the specific date on which the transfer was made to the state (March 13, 2002). Without this information, the Department will be unable to determine if the appropriation is consistent with the applicable use requirements.

**22. Question:** Will the states need to change their permanent Reed Act provisions?

**Answer:** This will need to be determined by each state. Some states may restrict the use of Reed Act funds for administration purposes to amounts transferred under Section 903(c), SSA. Since the \$8 billion transfer was made under Section 903(d), SSA, states may need to make this change. The Department is evaluating whether draft language should be provided in this area.

## **REPORTING REQUIREMENTS**

**23. Question:** What are the reporting instructions for the Reed Act money?

**Answer:** States are required to report **all** Reed Act transactions on the ETA 8403. The report is required each month a transaction occurs (e.g., deposits to the state account, withdrawals from the account, enactment of state appropriations). These reports are not required if there is no Reed Act activity. See ETA Handbook 401. The Department expects to have these transactions

- 9 -

reported on-line through the Treasury's Automated Standard Application for Payments (ASAP) soon, and states will receive additional instructions at that time.

Reed Act reporting instructions for the ETA 2112 are unchanged. (See ETA Handbook 401, 3<sup>rd</sup> Edition, May 2000.)



**TEXT OF SECTION 209 OF  
THE TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 2002**

**SEC. 209. SPECIAL REED ACT TRANSFER IN FISCAL YEAR 2002.**

(a) REPEAL OF CERTAIN PROVISIONS ADDED BY THE BALANCED BUDGET ACT OF 1997.-

(1) IN GENERAL.- The following provisions of section 903 of the Social Security Act (42 U.S.C. 1103) are repealed:

(A) Paragraph (3) of subsection (a).

(B) The last sentence of subsection (c)(2).

(2) SAVINGS PROVISION.- Any amounts transferred before the date of enactment of this Act under the provision repealed by paragraph (1)(A) shall remain subject to section 903 of the Social Security Act, as last in effect before such date of enactment.

(b) SPECIAL TRANSFER IN FISCAL YEAR 2002.- Section 903 of the Social Security Act is amended by adding at the end the following:

Special Transfer in Fiscal Year 2002

(d)(1) The Secretary of the Treasury shall transfer (as of the date determined under paragraph (5)) from the Federal unemployment account to the account of each State in the Unemployment Trust Fund the amount determined with respect to such State under paragraph (2).

(2)(A) The amount to be transferred under this subsection to a State account shall (as determined by the Secretary of Labor and certified by such Secretary to the Secretary of the Treasury) be equal to--

(i) the amount which would have been required to have been transferred under this section to such account at the beginning of fiscal year 2002 if--

(I) section 209(a)(1) of the Temporary Extended Unemployment Compensation Act of 2002 had been enacted before the close of fiscal year 2001, and

(II) section 5402 of Public Law 105-33 (relating to increase in Federal unemployment account ceiling) had not been enacted,  
minus

(ii) the amount which was in fact transferred under this section to such account at the beginning of fiscal year 2002.

(B) Notwithstanding the provisions of subparagraph (A)--

(i) the aggregate amount transferred to the States under this subsection may not exceed a total of \$8,000,000,000; and

(ii) all amounts determined under subparagraph (A) shall be reduced ratably, if and to the extent necessary in order to comply with the limitation under clause (i).

(3)(A) Except as provided in paragraph (4), amounts transferred to a State account pursuant to this subsection may be used only in the payment of cash benefits--

(i) to individuals with respect to their unemployment, and

- 2 -

(ii) which are allowable under subparagraph (B) or (C).

`(B)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable as--

`(I) regular compensation, or

`(II) additional compensation, upon the exhaustion of any temporary extended unemployment compensation (if such State has entered into an agreement under the Temporary Extended Unemployment Compensation Act of 2002), for individuals eligible for regular compensation under the unemployment compensation law of such State.

`(ii) Any additional compensation under clause (i) may not be taken into account for purposes of any determination relating to the amount of any extended compensation for which an individual might be eligible.

`(C)(i) At the option of the State, cash benefits under this paragraph may include amounts which shall be payable to 1 or more categories of individuals not otherwise eligible for regular compensation under the unemployment compensation law of such State, including those described in clause (iii).

`(ii) The benefits paid under this subparagraph to any individual may not, for any period of unemployment, exceed the maximum amount of regular compensation authorized under the unemployment compensation law of such State for that same period, plus any additional compensation (described in subparagraph (B)(i)) which could have been paid with respect to that amount.

`(iii) The categories of individuals described in this clause include the following:

`(I) Individuals who are seeking, or available for, only part-time (and not full-time) work.

`(II) Individuals who would be eligible for regular compensation under the unemployment compensation law of such State under an alternative base period.

`(D) Amounts transferred to a State account under this subsection may be used in the payment of cash benefits to individuals only for weeks of unemployment beginning after the date of enactment of this subsection.

`(4) Amounts transferred to a State account under this subsection may be used for the administration of its unemployment compensation law and public employment offices (including in connection with benefits described in paragraph (3) and any recipients thereof), subject to the same conditions as set forth in subsection (c)(2) (excluding subparagraph (B) thereof, and deeming the reference to `subsections (a) and (b)' in subparagraph (D) thereof to include this subsection).

`(5) Transfers under this subsection shall be made within 10 days after the date of enactment of this paragraph.'

(c) LIMITATIONS ON TRANSFERS.- Section 903(b) of the Social Security Act shall apply to transfers under section 903(d) of such Act (as amended by this section). For purposes of the preceding sentence, such section 903(b) shall be deemed to be amended as follows:

(1) By substituting `the transfer date described in subsection (d)(5)' for `October 1 of any fiscal year'.

- 3 -

(2) By substituting `remain in the Federal unemployment account' for `be transferred to the Federal unemployment account as of the beginning of such October 1'.

(3) By substituting `fiscal year 2002 (after the transfer date described in subsection (d)(5))' for `the fiscal year beginning on such October 1'.

(4) By substituting `under subsection (d)' for `as of October 1 of such fiscal year'.

(5) By substituting '(as of the close of fiscal year 2002)' for '(as of the close of such fiscal year)'.

(d) TECHNICAL AMENDMENTS.- (1) Sections 3304(a)(4)(B) and 3306(f)(2) of the Internal Revenue Code of 1986 are amended by inserting 'or 903(d)(4)' before 'of the Social Security Act'.

(2) Section 303(a)(5) of the Social Security Act is amended in the second proviso by inserting 'or 903(d)(4)' after '903(c)(2)'.

(e) REGULATIONS.- The Secretary of Labor may prescribe any operating instructions or regulations necessary to carry out this section and the amendments made by this section.

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**SEC. 7.** (a) Ninety percent of the sums allotted to each State pursuant to section 6 may be used--

(1) for job search and placement services to job seekers including counseling, testing, occupational and labor market information, assessment, and referral to employers;

(2) for appropriate recruitment services and special technical services for employers; and

(3) for any of the following activities:

(A) evaluation of programs;

(B) developing linkages between services funded under this Act and related Federal or State legislation, including the provision of labor exchange services at educational sites;

(C) providing services for workers who have received notice of permanent layoff or impending layoff, or workers in occupations which are experiencing limited demand due to technological change, impact of imports, or plant closures;

(D) developing and providing labor market and occupational information;

(E) developing a management information system and compiling and analyzing reports therefrom; and

(F) administering the work test for the State unemployment compensation system and providing job finding and placement services for unemployment insurance claimants.

(b) Ten percent of the sums allotted to each State pursuant to section 6 shall be reserved for use in accordance with this subsection by the Governor of each such State to provide--

(1) performance incentives for public employment service offices and programs, consistent with performance standards established by the Secretary, taking into account direct or indirect placements (including those resulting from self-directed job search or group job search activities assisted by such offices or programs), wages on entered employment, retention, and other appropriate factors;

(2) services for groups with special needs, carried out pursuant to joint agreements between the employment service and the appropriate ~~[private industry council]~~ **local workforce investment board** and chief elected official or officials or other public agencies or private nonprofit organizations; and

(3) the extra costs of exemplary models for delivering services of the types described in subsection (a).

(c)(1) Funds made available to States under this section may be used to provide additional funds under an applicable program if--

(A) such program otherwise meets the requirements of this Act and the requirements of the applicable program;

(B) such program serves the same individuals that are served under this Act;

(C) such program provides services in a coordinated manner with services provided under this Act; and

(D) such funds would be used to supplement, and not supplant, funds provided from non-Federal

sources.

(2) For purposes of this subsection, the term "applicable program" means ~~[any program under any of the following provisions of law--~~

~~[(A) The Carl D. Perkins Vocational and Applied Technology Education Act.~~

~~[(B) Section 123, title II, and title III of the Job Training Partnership Act.]~~ ***any workforce investment activity carried out under the Workforce Investment Act of 1998.***

(d) In addition to the services and activities otherwise authorized by this Act, the ~~[United States Employment Service]~~ **Secretary** or any State agency designated under this Act may perform such other services and activities as shall be specified in contracts for payment or reimbursement of the costs thereof made with the Secretary ~~[of Labor]~~ or with any Federal, State, or local public agency, or administrative entity under the ~~[Job Training Partnership Act]~~ ***Workforce Investment Act of 1998***, or private nonprofit organization.

***(e) All job search, placement, recruitment, labor employment statistics, and other labor exchange services authorized under subsection (a) shall be provided, consistent with the other requirements of this Act, as part of the one-stop delivery system established by the State.***

**SEC. 8.** (a) Any State desiring to receive ~~[the benefits of]~~ ***assistance under*** this Act ~~[shall, by the agency designated to cooperate with the United States Employment Service,]~~ ***shall*** submit to the ~~[Secretary of Labor]~~ **Secretary, as part of the State plan submitted under section 112 of the Workforce Investment Act of 1998**, detailed plans for carrying out the provisions of this Act within such State.

~~[(b) Prior to submission of such plans to the Secretary--~~

~~[(1) the employment service shall develop jointly with each appropriate private industry council and chief elected official or officials for the service delivery area (designated under the Job Training Partnership Act) those components of such plans applicable to such area;~~

~~[(2) such plans shall be developed taking into consideration proposals developed jointly by the appropriate private industry council and chief elected official or officials in the service delivery area affected;~~

~~[(3) such plans shall be transmitted to the State job training coordinating council (established under such Act) which shall certify such plans if it determines (A) that the components of such plans have been jointly agreed to by the employment service and appropriate private industry council and chief elected official or officials; and (B) that such plans are consistent with the Governor's coordination and special services plan under the Job Training Partnership Act;~~

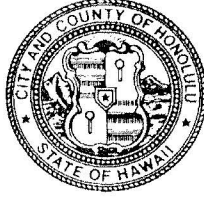
~~[(4) if the State job training coordinating council does not certify that such plans meet the requirements of clauses (A) and (B) of paragraph (3), such plans shall be returned to the employment service for a period of thirty days for it to consider, jointly with the appropriate private industry council and chief elected official or officials, the council's recommendations for modifying such plans; and~~

~~[(5) if the employment service and the appropriate private industry council and chief elected official or officials fail to reach agreement upon such components of such plans to be submitted finally to the Secretary, such plans submitted by the State agency shall be accompanied by such proposed~~

OFFICE OF THE MAYOR  
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 300 \* HONOLULU, HAWAII 96813  
PHONE: (808) 523-4141 \* FAX: (808) 523-4242 \* INTERNET: [www.honolulu.gov](http://www.honolulu.gov)

MUFI HANNEMANN  
MAYOR



February 28, 2008

The Honorable Rosalyn H. Baker, Chair  
and Members of the Ways and Means Committee  
State Senate  
State Capitol, Room 210  
Honolulu, Hawaii 96813

Dear Chair Baker and Committee Members:

Subject: Senate Bill (SB) 2876 - Relating to Employment Security

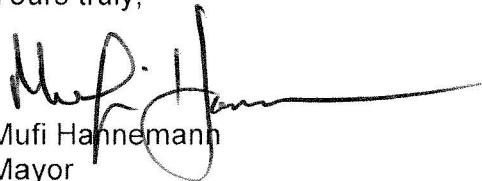
I am writing to express my support for SB2876, entitled Relating to Employment Security, as it pertains to the Hawaii County Workforce Investment Board (HCWIB). It is my understanding that HCWIB's request for an appropriation of \$2,000,000 is intended to continue and expand its initiatives relating to workforce development.

As a member of the Hawaii Council of Mayors, I believe that each of the counties, including the City & County of Honolulu, can benefit by the successes of Hawaii County's workforce development programs. Programs such as "Going Home," a prison-to-community reentry initiative; and "Huiana," an island-wide high school student internship program, are very important components of the workforce development program for our state.

I therefore respectfully ask for your support of HCWIB's request for an appropriation in the amount of \$2,000,000 through SB2876 in this legislative session.

Thank you for this opportunity to express my support for HCWIB's request.

Yours truly,

  
Mufi Hannemann  
Mayor

Harry Kim  
Mayor



Dixie Kaetsu  
Managing Director

Barbara J. Kossov  
Deputy Managing Director

## County of Hawai'i

891 Ululani Street • Hilo, Hawai'i 96720-3982 • (808) 961-8211 • Fax (808) 961-6553  
KONA: 75-5706 Kuakini Highway, Suite 103 • Kailua-Kona, Hawai'i 96740  
(808) 329-5226 • Fax (808) 326-5663

March 7, 2008

The Honorable Alex Sonson  
Chair, Committee on Labor and Public Employment  
415 South Beretania Street  
Honolulu, HI 96813

Dear Chair Sonson and Committee Members:

Re: SB 2876

I submit this testimony in support of SB 2876, which is similar to the bill previously passed by this Committee, HB 2964, HD1.

In 2006, this Legislature appropriated \$10,000,000 (Act 190) for the four counties Workforce Investment Boards (WIBs). Of that amount, \$1,900,000 came to Hawai'i County. We believe that we have allotted the money to projects that the Legislature would be pleased with, including Going Home (our prison-to-community re-entry initiative); Huiana, an island-wide high school student internship program; and an initiative to directly serve and strengthen our work places through business center and business service representatives.

We are asking that this Legislature appropriate another \$2,000,000 from these federal funds, so that our initiatives can continue and new ideas can be developed by the WIB partners, such as expansion of our new disabilities consortium.

Attached are more complete descriptions of the use of the previous allocation (first attachment) and our proposal for the use of new funds (second attachment).

When this committee heard HB 2964, it amended the bill to provide that monies appropriated by the Act would not lapse until June 30, 2010. That amendment was made at our request, but we are aware that questions were raised as to whether such a lapse date would be legally acceptable. We would respectfully ask that this committee ask the majority attorney's office or the Attorney General, whether a lapse date of 2010 is permissible, and if it is, we hope that you will amend SB 2876 in a similar way. If an opinion cannot be obtained, however, then we would rather not risk losing the bill to a veto and would suggest leaving the lapse date at 2009.

We further would recommend that paragraphs 1A, 1B, and 1C be deleted, unless the respective counties have come forward to request funds. It is our understanding that they have chosen not to do so.



March 7, 2008  
Page 2  
The Honorable Alex Sonson

We also believe that the Department of Labor has not asked for funding this year, and therefore Paragraph 2 can be deleted.

Finally, we would ask that \$2 million be inserted as the allocation to the Hawai'i Workforce Investment Board.

The assistance you are giving us is much appreciated, and we will do our best to use the funds effectively for the benefit of the community.

Aloha,



Harry Kim  
MAYOR

Attachment

## Hawaii County Workforce Investment Board (HCWIB)

Reed Act Program Accomplishments 2006 - 2007

Contact: Susan Akiyama, 808/961-8379

### Resource and Program Information:

Source: Reed Act Funds (Unemployment Insurance Trust Fund)  
distributed by Act 190/Act 123

Total State Allocation: \$10,000,000.00

**Amt allocated to HCWIB: \$1,900,554.00**

Amt expended as of 12/31/07: \$778,986.40

Program start date: February 1, 2007

Completion date: September 30, 2008

### Accomplishments by category:

#### **Employer Outreach and Services**

- Development of a Business Service Center within the local One-Stop Center is currently in progress
- Established links with employer advisory groups to include Chambers, Associations and HCWIB
- Business Service Reps coordinated industry studies to assess and prioritize business needs
- Facilitated /conducted **5 workshops for employers** providing information re: services for the ex-incarcerated, persons with disabilities and other program services available through the One-Stop
- Coordinated **2 job fairs serving over 400 job seekers and 40 employers**

#### **Labor Force Pool Expansion**

- Established first-ever island wide high school student "Huiana" internship program
- **70+ high school students** participated in internship program (Huiana)
- **50 employers** participated in internship program (Huiana)
- Established "Going Home", a comprehensive prison-to-community reentry initiative for Hawaii County
- Held **5 employer forums** to promote ex-offenders and persons with disabilities
- Serving over **50 ex-offenders** and working with over **15 community agencies**
- Conducted **10 job readiness and life skills workshops** for furloughees
- Formed a Co-Case Management Team made up of **7 agencies to support ex-offender population**
- Created "Workforce Solutions" consortium to collectively promote persons with disabilities
- Conducted disability forums, consumer fairs, training workshops for disabilities population

#### **Capacity Building**

- Provided intensive training for Board members and One-Stop staff
- Enabled Board members and One-Stop staff to attend 3 national conferences
- Coordinated meetings to bridge partnering among workforce development, economic development and educational entities

#### **Building Infrastructure (Technology and Equipment)**

- Upgraded video conferencing equipment
- Provided wireless laptops to enhance service delivery in rural areas
- Currently providing transportation services for high school students to get to internship job sites

## Hawaii County Workforce Investment Board (HCWIB)

Programs for Legislative Session 2007-2008

Contact: Susan Akiyama, 808/961-8379

### Request: \$2,000,000.00 – Reed Act Programs

In 2006, the Hawaii State Legislature appropriated \$10,000,000 statewide (Act 190, 2006) for the four county Workforce Investment Boards (WIBs). Of that sum, \$1,900,000 came to Hawaii County. The Department of Labor and all involved with the Hawaii Island WIB efforts, are justly proud of the initiatives that this money enabled, such as Going Home, our prison-to-community reentry initiative; Huiana, our island-wide high school student internship program; and an initiative to directly serve and strengthen Hawaii County's work places through our business center and business services representatives.

We are asking the State legislature to appropriate another \$2,000,000 from these federal funds, so that these initiatives can continue, providing support to a growing network of WIB partners whose priorities include: expansion of a new disabilities consortium and its increased services to persons with disabilities—particularly our youth; expand our Huiana and Going Home initiatives to serve more students and ex-offenders on a state-wide level; and develop support programs to serve the homeless.

### Operation Mainstream

Strategy: To proactively outreach, educate and prepare under-utilized target groups (seniors, youth, ex-offenders, persons with disabilities, expatriates, rural job seekers, welfare recipients, homeless, etc.) in an effort to "mainstream" these individuals into our workforce.

- Complement State's S.T.E.M. (Science, Technology, Engineering and Math) initiatives related to curriculum, articulation, and internship opportunities
- Promote the transition and self-sufficiency of students with disabilities at high schools island wide
- Offer employment preparation services to homeless population
- Provide employment, English-as-Second-Language, and acculturation assistance to increasing Micronesian population
- Establish an employment preparation network for incarcerated
- Develop work-based experience with the private sector to support the re-entry and transitioning of ex-offenders.

### Employer Outreach

- Establish an economic and workforce development task force to: link key tax incentives to workforce benefits; bridge gap between information and services; convene regular meetings with key stakeholders: Hawaii County Research & Development, Hawaii Island Economic Development Board, Dept. of Business & Economic Development, Business & Tourism, Workforce Development Division, etc.
- Expand our business resource center services to include support to Kahoehua Industrial Area Association (KIAA). Services: recruitment, assessment, labor market information, employer education, etc.

### System Building

- Develop a permanent infrastructure for the Huiana student internship program and the Going Home ex-offender re-integration program.
- Disseminate materials and information for replication of the Huiana and Going Home programs in other interested counties.
- Provide transportation for youth to participate in the Huiana student internship program
- Build capacity by supporting board and staff attendance at local, state and national conferences and workshops.

Harry Kim  
Mayor



Edwin S. Taira  
Housing Administrator

**County of Hawaii**  
**OFFICE OF HOUSING AND**  
**COMMUNITY DEVELOPMENT**

50 Wailuku Drive • Hilo, Hawaii 96720-2484  
V/TT (808) 961-8379 • FAX (808) 961-8685

March 10, 2008

The Honorable Alex M. Sonson, Chair  
The Honorable Bob Nakasone, Vice Chair  
Members of the Committee Labor & Public Employment

Twenty-Fifth Legislature  
Regular Session of 2008

**SUBJECT: Senate Bill 2876 Relating to Employment Security**  
**Hearing Date: Tuesday, March 11, 2008**  
**Time: 9:00 a.m.**  
**Conference Room 309**

The Office of Housing and Community Development (OHCD) supports Senate House Bill 2876 as it pertains to Hawai'i County.

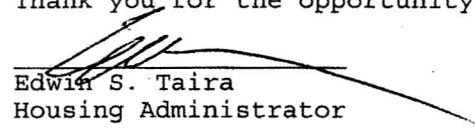
The OHCD is the grant recipient and administrator of the Workforce Investment Act and Reed Act funds for Hawai'i County.

In 2006, the Hawai'i State Legislature appropriated \$10,000,000 statewide (Act 190, 2006) for the Workforce Investment Boards to improve employer outreach and services, labor pool expansion, capacity building and to fund some shared costs for the operation of the one-stop career centers within each county. The Hawai'i County Workforce Investment Board (HCWIB) has been very successful in the delivery of those initiatives: Going Home, Prison-to-Community Re-entry Initiative; Huiana, our island-wide high school student internship program; and an initiative to directly serve and strengthen Hawai'i County's workplaces through our business services center.

We are asking the State Legislature to appropriate \$2,000,000 from these federal funds to enable us to support a growing network of HCWIB partners whose priorities include: expansion of a new disabilities consortium and its increased services to persons with disabilities, particularly our youth; expand Huiana and Going Home initiatives to serve participants on a state-wide level; and develop support programs to serve the homeless.

As these programs help support the County's workforce initiatives, the OHCD respectfully requests your consideration and support of SB 2876.

Thank you for the opportunity to provide testimony.

  
Edwin S. Taira  
Housing Administrator



EQUAL HOUSING OPPORTUNITY  
"HAWAII COUNTY IS AN EQUAL OPPORTUNITY  
PROVIDER AND EMPLOYER"

**CLYDE T. OSHIRO**

Certified Public Accountant

319 Kinoole Street  
Hilo, Hawaii 96720

Phone: (808) 935-0885 Fax: (808) 961-5881 e-mail: oshirocpa@hawaiiantel.net

March 10, 2008

RECEIVED

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REPRESENTATIVES

**In Support of SB 2876 Relating to Employment Security**Rep. Alex M. Sonson, Chair Labor and Public Employment Committee  
Support of SB2876 Relating to Employment Security

Hearing: March 11, 2008 at 9AM

Dear Chair Sonson and Committee members:

My name is Clyde T. Oshiro, I am a member of the Hawaii County Workforce and Investment Board and an officer and director of the Hawaii Island Workforce and Economic Development Ohana, Inc., a 501c(3) nonprofit. Working on workforce issues as it relates economic development in the Hawaii County.

I ask for your support of SB 2876, which has been referred to your committee, as it pertains to Hawaii County. In 2006, the Hawaii State Legislature appropriated \$10,000,000 statewide (Act 190, 2006) for the four county Workforce Investment Boards (WIBs). Of that sum, \$1,900,000 came to Hawaii County. The Department of Labor and all involved with the Hawaii Island WIB efforts, are justly proud of the initiatives that this money enabled, such as Going Home, our prison-to-community reentry initiative; Huiana, our island-wide high school student internship program; and an initiative to directly serve and strengthen Hawaii County's work places through our business center and business services representatives.

We in Hawaii County are asking the State legislature to appropriate another \$2,000,000 from these federal funds to enable us to continue initiatives related to improving employer outreach and services, labor force pool expansion, capacity building, and providing support to a growing network of WIB partners whose priorities include: expansion of a new disabilities consortium and its increased services to persons with disabilities—particularly our youth; expand our Huiana and Going Home initiatives to serve more students and ex-offenders on a state-wide level; and develop support programs to serve the homeless.

Supporting Hawaii County's workforce initiatives through this appropriation will provide long-term social and economic benefits. Therefore, I urge the committee to pass SB 2876.

Mahalo, for your consideration and support.



Clyde T. Oshiro

Hawai'i Island Workforce & Economic Development Ohana  
1990 Kinoole Street, Suite 102 • Hilo, HI 96720

Rep. Alex M. Sonson, Chair  
House Committee on Labor and Public Employment  
Support of SB2876 Relating to Employment Security  
Hearing: March 11, 2008 at 9AM

Dear Chair Sonson and Committee members:

I serve as the Executive Director of the Hawaii Island Workforce & Economic Development Ohana, a non-profit established in Hawaii County by the Workforce Investment Board (WIB). Our mission parallels that of the WIB, and we are integrally involved with efforts to develop a comprehensive workforce development system for the County.

I ask for your support of SB 2876, which has been referred to your committee, as it pertains to Hawaii County. In 2006, the Hawaii State Legislature appropriated \$10,000,000 statewide (Act 190, 2006) for the four county Workforce Investment Boards (WIBs). Of that sum, \$1,900,000 came to Hawaii County. The Department of Labor and all involved with the Hawaii Island WIB efforts, are justly proud of the initiatives that this money enabled, such as: Going Home, our prison-to-community reentry initiative; Huiana, our island-wide high school student internship program; and an initiative to directly serve and strengthen Hawaii County's work places through our business center and business services representatives.

We in Hawaii County are asking the State legislature to appropriate another \$2,000,000 from these federal funds to enable us to continue initiatives related to improving employer outreach and services, labor force pool expansion, capacity building, and providing support to a growing network of WIB partners whose priorities include: expansion of a new disabilities consortium and its increased services to persons with disabilities—particularly our youth; expand our Huiana and Going Home initiatives to serve more students and ex-offenders on a state-wide level; and develop support programs to serve the homeless.

Supporting Hawaii County's workforce initiatives through this appropriation will provide long-term social and economic benefits. Therefore, I urge the committee to pass SB 2876.



Sandra Sakaguchi

HIWEDO

(808) 640-7967

email: s.sakaguchi@yahoo.com



## Kanoelehua Industrial Area Assn., Inc.

820 Pillani Street, Suite 201

Hilo, Hawaii 96720

Phone (808) 961-5422 • Fax (808) 935-9740

March 10, 2008

### BOARD OF DIRECTORS

ALLAN ONISHI  
PRESIDENT

NIMR TAMIMI  
1<sup>ST</sup> VICE PRESIDENT

CALEB YAMANAKA  
2<sup>ND</sup> VICE PRESIDENT

JEREL YAMAMOTO  
SECRETARY

### TREASURER

KEITH AKIYAMA  
PAST PRESIDENT

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JAMES ARAKAKI  
SAMUEL ARAKI  
RUSSELL ARIKAWA  
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ROBERT WINE MD  
CALVIN KANG  
DAVID LOVELL  
MARGARET PAHIO  
DAN SAKAI  
JERE USUI

### STAFF:

MARLENE SALMO  
OFFICE ADMINISTRATOR

VALERIE LUM  
ADMINISTRATIVE ASSISTANT

Rep. Alex M. Sonson, Chair  
Labor and Public Employment Committee  
Support of SB2876 Relating to Employment Security  
Hearing: March 11, 2008 at 9AM

Dear Chair Sonson and Committee members:

I am Allan Onishi, President 07-08, of the Kanoelehua Industrial Area Association (KIAA). KIAA is a non-profit business organization in the Hilo industrial area representing over 350 business firms.

I ask for your support of SB 2876, which has been referred to your committee, as it pertains to Hawaii County. In 2006, the Hawaii State Legislature appropriated \$10,000,000 statewide (Act 190, 2006) for the four county Workforce Investment Boards (WIBs). Of that sum, \$1,900,000 came to Hawaii County. The Department of Labor and all involved with the Hawaii Island WIB efforts, are justly proud of the initiatives that this money enabled, such as Going Home, our prison-to-community reentry initiative; Huiana, our island-wide high school student internship program; and an initiative to directly serve and strengthen Hawaii County's work places through our business center and business services representatives.

We in Hawaii County are asking the State legislature to appropriate another \$2,000,000 from these federal funds to enable us to continue initiatives related to improving employer outreach and services, labor force pool expansion, capacity building, and providing support to a growing network of WIB partners whose priorities include: expansion of a new disabilities consortium and its increased services to persons with disabilities—particularly our youth; expand our Huiana and Going Home initiatives to serve more students and ex-offenders on a state-wide level; and develop support programs to serve the homeless.

Supporting Hawaii County's workforce initiatives through this appropriation will provide long-term social and economic benefits. Therefore, I urge the committee to pass SB 2876.

*Allan Onishi*

Allan Onishi, President 07-08  
KIAA



Testimony  
By Ted Sakai  
Senate Bill 2876 Relating to Employment Security  
House Committee on Labor and Public Employment  
Representative Alex M. Sonson, Chair  
Tuesday, March 11, 2008, 9:00 a.m.  
Conference Room 309, State Capitol

Chair Sonson and Members of the Committee:

I support the passage of Senate Bill 2876, Relating to Employment Security. This bill appropriates funds to the various county workforce investment boards to improve employer outreach and services, labor pool expansion, capacity building and operation of one stop career centers within each county.

My testimony is focused on the activity of the Workforce Investment Board in the County of Hawaii. After retiring from a career with the Department of Public Safety, I have been privileged to be involved with a dynamic consortium of public agencies, private agencies, and individual citizens called the Going Home Committee. Going Home seeks to insure that needed services are available to the criminal offender who is in the community after finishing a term of incarceration. This helps the community, as the offender becomes a productive, law-abiding citizen; the correctional system, as it can relieve prison overcrowding in the long run; and the individual offenders and their families.

Among other things, the County of Hawaii WIB has supported the efforts of the Going Home Committee. Because of this support, Going Home partners have been able to help offenders in the community find employment. Gainful employment is among the most critical services needed by offenders making the transition from secure incarceration to life in the free world. Without gainful employment, the offender is not likely to succeed in the community. With the support of the County of Hawaii WIB, the Going Home partners have developed some truly innovative and effective programs to help offenders prepare for, secure, and retain meaningful jobs. SB 2876 will enable the County and Going Home to continue its current efforts and perhaps develop even more creative approaches to help the criminal offender.

SB2876 would enable the County to continue to support a much needed program that provides a sound re-entry program for offenders, promotes the public safety, and enables people to maintain their dignity.

Thank you.

*Ted I. Sakai and Associates*  
47-571 Ahuimanu Road  
Kaneohe, Hawaii 96744  
Ph: 808-722-3111 e-mail: sakait005@hawaii.rr.com





**HILO COMMUNITY SCHOOL FOR ADULTS**  
450 Waianuenue Ave., Room C-3  
Hilo, Hawaii 96720  
Phone: 974-4100 Fax: 974-6170 Night: 974-4101



March 10, 2008

Rep. Alex M. Sonson, Chair  
Committee on Labor and Public Employment  
Support of SB 2876 Relating to Employment Security  
Hearing: March 11, 2008 at 9AM

Dear Chair Sonson and Committee members:

My name is Leonard Paik and I am principal of the Hilo Community School for Adults and the chairperson for the East Hawaii partners of the Big Island Workplace Connection, Hawaii County's WIB One Stop Center.

I ask for your support of SB 2876 as it pertains to Hawaii County. In 2006, the Hawaii State Legislature appropriated \$10,000,000 statewide (Act 190, 2006) for the four county Workforce Investment Boards (WIBs). Of that sum, \$1,900,000 came to Hawaii County. The Department of Labor and all involved with the Hawaii Island WIB efforts, are justly proud of the initiatives that this money enabled, such as Going Home, our prison-to-community reentry initiative; Huiana, our island-wide high school student internship program; and an initiative to directly serve and strengthen Hawaii County's work places through our business center and business services representatives.

We in Hawaii County are asking the State legislature to appropriate another \$2,000,000 from these federal funds to enable us to continue initiatives related to improving employer outreach and services, labor force pool expansion, capacity building, and providing support to a growing network of WIB partners whose priorities include: expansion of a new disabilities consortium and its increased services to persons with disabilities—particularly our youth; expand our Huiana and Going Home initiatives to serve more students and ex-offenders on a state-wide level; and develop support programs to serve the homeless.

Supporting Hawaii County's workforce initiatives through this appropriation will provide long-term social and economic benefits. Therefore, I urge the committee to pass SB 2876.

Leonard Paik  
Hilo Community School for Adults, and  
Big Island Workplace Connection.

Statement of

**Rae A. Yamanaka**  
Teacher  
Waiakea High School  
94 Kekela St.  
Hilo, HI 96720

Before the

**House Committee on Labor & Public Employment**

Tuesday, March 11, 2008  
State Capitol  
9am

In consideration of  
**HB2964/SB2876 – Relating to Employment Security**

Chair Alex Sonson and Members of the Committee

I, Rae A. Yamanaka from Waiakea High School, **strongly support HB2964 HD1/SB2876** and urge your Committee to vote for passage of this measure.

This bill appropriates funds for the Reed Act for services of the unemployment insurance and workforce development divisions. The funds from the Reed Act have greatly enhanced the opportunities of our high school students to participate in career internships through the Huiana Internship Program. The Huiana Internship Program is a collaborative effort of the Big Island Workforce Development Division, the Dept. of Education, the Hawaii Island Economic Development Board, the Hawaii Community College, Hawaii Electric Light Company, East Hawaii Business-Education Partnership and other Hawaii Island businesses.

Students gain valuable workplace skills, are mentored in professionalism and leadership responsibilities and participate in hands-on work-based learning that are consistent with the Department of Education's General Learner Outcomes. This is a wonderful opportunity for businesses to partner with our schools in helping to educate future workers.

**Please VOTE for HB2964 HD1/SB2876**

Thank you for your continual support for students and public education.

Mahalo,

Rae A. Yamanaka  
808-959-9719  
94 Kekela St.  
Hilo, HI 96720  
Email: Rae.Yamanaka@members.hsta.org

O'ahu **Workforce** Investment Board  
• *Making workforce connections*

March 10, 2008

The Honorable Alex M. Sonson, Chair  
and Members of the Labor and Public Employment Committee  
House of Representatives  
Hawaii State Capitol, Room 323  
415 South Beretania Street  
Honolulu, Hawaii 96813

Subject: Support for SB2876 – Relating to Employment Security

Dear Chair Sonson and Committee Members:

On behalf of the Oahu Workforce Investment Board (OWIB) and the City & County of Honolulu, I am transmitting to you the enclosed letters of support by the Honorable Mufi Hannemann, Mayor of the City & County of Honolulu and Jim Tollefson, Chairman of the Oahu Workforce Investment Board (OWIB.) These letters are related to Senate Bill (SB) 2876, entitled, Relating to Employment Security.

Please accept these letters as evidence of Oahu's continued support of SB2876 that has crossed over to your committee.

We accordingly request for your favorable consideration of the Hawaii County's request for appropriation in the amount of \$2,000,000 through SB2876 in this legislative session.

Sincerely,



Danny Aagsaog  
Executive Director