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# A BILL FOR AN ACT

RELATING TO UNEMPLOYMENT.

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

1           SECTION 1. The legislature finds that immediate, speedy  
2 action must be taken to reduce unemployment in the state. The  
3 present decline in the health of the state and national  
4 economies and the accompanying high rate of unemployment have  
5 caused considerable hardship among the residents of the state.  
6 It is therefore prudent at this time to take steps to alleviate  
7 the effects of a high unemployment rate through the development  
8 of a state unemployment program. The purpose of this Act is to:

- 9           (1) Assist unemployed persons who have used all available  
10           unemployment insurance benefits with employment in  
11           needed public service jobs, and related training and  
12           manpower services where feasible, to enable them to  
13           move into temporary full-time or part-time employment  
14           or training supported under the new chapter in the  
15           Hawaii Revised Statutes created by this Act; and  
16           (2) Provide subsidies for certain private employers to  
17           participate in employment programs involving the  
18           training and hiring of unemployed persons.

1 SECTION 2. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4 "CHAPTER

5 STATE COMPREHENSIVE EMPLOYMENT AND TRAINING PROGRAM

6 PART I. GENERAL PROVISIONS

7 § -1 **Definitions.** As used in this chapter, unless the  
8 context clearly requires otherwise:

9 "Department" means the department of labor and industrial  
10 relations.

11 "Director" means the director of labor and industrial  
12 relations.

13 "Unemployed person" means a person who is without a job and  
14 is able, available, and seeking full-time employment.

15 § -2 **Authority.** (a) The director may create and  
16 administer a statewide, state-funded subsidized public service  
17 employment program. In carrying out the program, the director  
18 shall accord priority to individuals to be hired in the  
19 following order:

- 20 (1) Unemployed persons who have exhausted their  
21 unemployment benefits; and

1 (2) All other unemployed persons who do not qualify for  
2 unemployment benefits.

3 (b) Persons employed in public service jobs through the  
4 state comprehensive employment and training program established  
5 by this chapter shall not be paid wages below the state minimum  
6 wage.

7 (c) Persons under subsection (b) shall not be considered  
8 state employees and shall not be subject to the provisions of  
9 law relating to state employment, including those regarding  
10 hours of work, rates of compensation, leave, unemployment  
11 compensation, and state employee benefits.

12 (d) For the purposes of chapter 386, persons under  
13 subsection (b) shall be deemed employees of the State within the  
14 meaning of the term "employee" as defined in section 386-1, and  
15 the provisions of chapter 386 shall apply.

16 **§ -3 Relationship of program under this part to other**  
17 **state programs.** The program under this part is a state-funded  
18 program. Accordingly, the director shall not be required to  
19 conform this program with that of other public service  
20 employment programs.

21 The director shall implement this part immediately upon its  
22 enactment. The director shall coordinate the activities with

1 any other federal, state, or county activities relating to  
2 public service employment, including programs under chapters  
3 202, 394, and 394B, and sections 346-71 and 346-101.

4 § -4 **Rules.** The director shall adopt rules pursuant to  
5 chapter 91 necessary for the purposes of this chapter.

6 § -5 **Reports.** The director shall report to the  
7 legislature no later than twenty days prior to the  
8 beginning of each regular session of the legislature on the  
9 implementation and administration of this chapter.

10 **PART II. STATE ASSISTANCE FOR CERTAIN EMPLOYMENT**

11 § -11 **State subsidy for certain employers.** Any  
12 employer, whether for profit or nonprofit, that agrees to  
13 participate in an employment program to train and permanently  
14 hire unemployed persons, shall be entitled to a state subsidy in  
15 accordance with this part or the rules adopted thereunder;  
16 provided that no employer receiving this subsidy shall directly  
17 replace current workers with individuals from the state  
18 comprehensive employment and training program.

19 § -12 **Nature of subsidy.** The subsidy shall defray extra  
20 costs of providing employment and a program of training and  
21 support services. It may be used for on-the-job training and  
22 counseling, job orientation, job-related education, instruction

1 in English as a second language, medical and dental services,  
2 transportation expenses, a portion of wages, and other costs  
3 related to the employment.

4 All subsidies shall be made directly to the employer by the  
5 director. The amounts of the subsidies shall be determined by  
6 the director in accordance with guidelines adopted by the  
7 director, and all subsidies shall be incorporated into contracts  
8 entered into between the director and the participating  
9 employers.

10 § -13 **Limitations.** No subsidy shall exceed \$  
11 for one permanent job position. The maximum subsidy allowed to  
12 any one employer shall be \$ or an amount not to exceed  
13 twenty-five per cent of the payroll of any one employer's  
14 workforce, whichever is the lesser amount, except under  
15 exceptional circumstances as determined by the director. The  
16 training subsidy for a given position shall not exceed twenty  
17 weeks."

18 SECTION 3. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so  
20 much thereof as may be necessary for fiscal year 2009-2010 to  
21 implement section 2 of this Act.

1           The sum appropriated shall be expended by the department of  
2 labor and industrial relations for the purposes of this Act.

3           SECTION 4. This Act shall take effect on the latter of:

4           (1) July 1, 2050; or

5           (2) The date upon which:

6                 (A) The State's seasonally-adjusted unemployment rate  
7                         is determined by the department of labor and  
8                         industrial relations to have exceeded seven per  
9                         cent; and

10                (B) The governor issues a proclamation that the  
11                        events in subparagraph (A) have occurred and  
12                        publishes a notice statewide as provided in  
13                        section 1-28.5, Hawaii Revised Statutes,  
14                        and shall be repealed on June 30, 2010.

**Report Title:**

State Comprehensive Employment Training Program

**Description:**

Creates the state comprehensive employment and training program providing subsidized employment for work with a public purpose. Prohibits direct replacement of current employees. Appropriates funds. Takes effect July 1, 2050 or when the unemployment rate exceeds seven per cent and Governor publishes notice that unemployment rate has exceeded seven per cent. Sunsets June 30, 2010. (SD1)