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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 this State. The  
3 present decline in the health of the state and national  
4 economies and the high rates of unemployment that will accompany  
5 this decline will cause considerable hardship among the  
6 residents of the State. The legislature further finds it is  
7 therefore prudent at this time to take steps to alleviate the  
8 effects of a high rate of unemployment through the development  
9 of a state unemployment program. The purpose of this Act is to:

- 10           (1) Enable unemployed and underemployed persons with  
11           employment in needed public service jobs, and,  
12           whenever feasible, related training and manpower  
13           services, to move into employment or training  
14           supported under this chapter; and
- 15           (2) Provide subsidies for certain private employers to  
16           participate in the employment programs involving the  
17           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 been unemployed for more  
21 than fifteen weeks, including those who have exhausted  
22 their unemployment benefits;



1           (2) All other unemployed persons, who are unemployment  
2           insurance claimants including those who have exhausted  
3           their unemployment benefits;

4           (3) All other unemployed persons, whether or not they are  
5           unemployment insurance claimants, who are certified by  
6           the director as recipients of state public assistance  
7           under chapter 346; and

8           (4) All other unemployed persons, whether or not they are  
9           unemployment insurance claimants.

10          (b) Persons employed in public service jobs under this  
11 chapter shall not be paid wages below the state minimum wage.

12          (c) Persons under subsection (b) shall not be considered  
13 state employees and shall not be subject to the provisions of  
14 law relating to state employment, including those regarding  
15 hours of work, rates of compensation, leave, unemployment  
16 compensation, and state employee benefits.

17          (d) For purposes of chapter 386, persons under subsection  
18 (b) shall be deemed employees of the State within the meaning of  
19 the term "employee" as defined in section 386-1, and the  
20 provisions of that chapter shall apply.

21          § -3 Relationship of program under this part to other  
22 state programs. The program under this part is a state-funded



1 program. Accordingly, the director shall not be required to  
2 conform this program with that of other public service  
3 employment programs.

4 The director, immediately upon enactment of this part,  
5 shall implement this part. The director shall coordinate the  
6 activities with any other state or county activities relating to  
7 public service employment, including but not limited to programs  
8 under chapters, 202, 394, and 394B, and sections 208-5, 346-71,  
9 and 346-101.

10 § -4 Rules. The director shall adopt rules pursuant to  
11 chapter 91 necessary for the purposes of this chapter.

12 § -5 Reports. The director shall report on the  
13 progress of this chapter to the legislature annually.

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

15 § -11 State subsidy for certain employers. Any  
16 employer, whether profit-making or nonprofit making, who agrees  
17 to participate in an employment program to train and permanently  
18 hire unemployed persons, shall be entitled to a state subsidy in  
19 accordance with this part and rules as may be necessary.

20 § -12 Nature of subsidy. The subsidy shall be to defray  
21 extra costs of providing employment and a program of training  
22 and support services. It may be used for on-the-job training



1 and counseling, job orientation, job-related education,  
2 instruction in English as a second language, medical and dental  
3 services, transportation expenses, a portion of wages, and other  
4 costs related to the employment.

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

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

18 **PART III. STATE LOANS FOR CERTAIN EMPLOYMENT**

19 § -21 **State loans for certain private employers.** Any  
20 private employer, whether profit or nonprofit, who agrees to  
21 participate in an employment program to train and permanently



1 hire unemployed persons shall be entitled to qualify for state  
2 low-interest loans for purposes described in this part.

3 § -22 Nature of loans. The employer who qualifies shall  
4 be entitled to a loan of not more than \$ for each  
5 unemployed person that the employer immediately hires; provided  
6 that the persons shall be employed at least one year or for the  
7 term of the loan, whichever is longer.

8 The loan shall be for five years maximum, at the rate of  
9 per cent interest a year, and shall be payable in equal  
10 monthly installments of principal and interest.

11 The loan shall be for purposes directly related to the  
12 maintenance or expansion of the employer's business activity.

13 Any provision to the contrary notwithstanding, the director  
14 shall have full authority and discretion to consider, approve,  
15 or disapprove any loan application and impose restrictions on  
16 any loan made pursuant to this part. Under no circumstances  
17 shall any one employer be granted loans exceeding \$ ."

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 director of  
2 labor and industrial relations for the purposes of this Act.

3 SECTION 4. This Act shall take effect on July 1, 2009.

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INTRODUCED BY:

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JAN 23 2009



**Report Title:**

State Comprehensive Employment Training Program

**Description:**

Creates the State Comprehensive Employment Training Program (SCET) providing subsidized employment for work with a public purpose. Appropriates funds.

