

---

---

# 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 has  
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 this chapter; and  
15           (2) Provide subsidies for certain private employers to  
16           participate in 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 exhausted their  
21 unemployment benefits; and



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

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

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

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

14 **§ -3 Relationship of program under this part to other**  
15 **state programs.** The program under this part is a state-funded  
16 program. Accordingly, the director shall not be required to  
17 conform this program with that of other public service  
18 employment programs.

19 The director shall implement this part immediately upon its  
20 enactment. The director shall coordinate the activities with  
21 any other federal, state, or county activities relating to



1 public service employment, including programs under chapters  
2 202, 394, and 394B, and sections 346-71 and 346-101.

3       **§ -4 Rules.** The director shall adopt rules pursuant to  
4 chapter 91 necessary for the purposes of this chapter.

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

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

10       **§ -11 State subsidy for certain employers.** Any  
11 employer, whether for profit or nonprofit, who agrees to  
12 participate in an employment program to train and permanently  
13 hire unemployed persons, shall be entitled to a state subsidy in  
14 accordance with this part or the rules adopted thereunder;  
15 provided that no employer receiving this subsidy shall directly  
16 replace current workers with individuals from the state  
17 comprehensive employment and training program.

18       **§ -12 Nature of subsidy.** The subsidy shall defray extra  
19 costs of providing employment and a program of training and  
20 support services. It may be used for on-the-job training and  
21 counseling, job orientation, job-related education, instruction  
22 in English as a second language, medical and dental services,



1 transportation expenses, a portion of wages, and other costs  
2 related to the employment.

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

9 **§ -13 Limitations.** No subsidy shall exceed \$  
10 for one permanent job position. The maximum subsidy allowed to  
11 any one employer shall be \$ or an amount not to exceed  
12 twenty-five per cent of the payroll of any one employer's  
13 workforce, whichever is the lesser amount, except under  
14 exceptional circumstances as determined by the director. The  
15 training subsidy for a given position shall not exceed twenty  
16 weeks."

17 SECTION 3. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$ or so  
19 much thereof as may be necessary for fiscal year 2009-2010 to  
20 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 later of:

4           (1) July 1, 2020; 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, 2020. (HB987 HD2)

