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# A BILL FOR AN ACT

RELATING TO THE EMPLOYMENT AND TRAINING FUND.

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

1           SECTION 1. The legislature finds that the purpose of the  
2 Workforce Investment Act, through statewide and local workforce  
3 investment systems, is to increase the employment, retention,  
4 and earnings of participants and increase occupational skill  
5 attainment by participants, and as a result, improve the quality  
6 of the workforce and enhance the productivity and  
7 competitiveness of Hawaii.

8           The legislature further finds that Act 2, Session Laws of  
9 Hawaii 2011, and Act 6, Session Laws of Hawaii 2012, provided a  
10 cost effective mechanism to pay interest on moneys borrowed from  
11 the federal government to pay unemployment insurance benefits.  
12 The employment and training fund was identified as the only cost  
13 effective mechanism available to collect an assessment from  
14 employers during 2011. If no interest payments were required in  
15 2011, the intent of Act 2 was to have the aggregate amount  
16 collected for the purpose of interest payments to constitute the  
17 total employment and training assessments for calendar year  
18 2012. However, a small amount of the assessment was used to pay



1 interest due for moneys borrowed from the federal government in  
2 December 2010.

3 The legislature further finds that the reduction in  
4 Workforce Investment Act funding for administrative purposes has  
5 adversely affected the ability of the department of labor and  
6 industrial relations to carry out statewide administrative  
7 functions and to support the local workforce systems.

8 The purpose of this Act is to allow employment and training  
9 fund moneys to be used to supplement insufficient funds  
10 allocated under the federal Workforce Investment Act of 1998,  
11 Public Law 105-220, as amended, as a temporary, stopgap measure  
12 during the next year until a longer-term solution is derived.

13 The purpose of this Act is also to clarify that the moneys  
14 collected as part of the employment and training assessment for  
15 the purpose of paying interest assessments in 2011 are used by  
16 the employment and training fund to support workforce training  
17 activities and further the economic recovery of the State.

18 SECTION 2. Section 383-128, Hawaii Revised Statutes, is  
19 amended by amending subsection (b) to read as follows:

20 "(b) The moneys in the employment and training fund may be  
21 used for funding:



- 1 (1) The operation of the state employment service for  
2 which no federal funds have been allocated;
- 3 (2) Business-specific training programs to create a more  
4 diversified job base and to carry out the purposes of  
5 the new industry training program pursuant to section  
6 394-8;
- 7 (3) Industry or employer-specific training programs where  
8 there are critical skill shortages in high growth  
9 occupational or industry areas;
- 10 (4) Training and retraining programs to assist workers who  
11 have become recently unemployed or are likely to be  
12 unemployed;
- 13 (5) Programs to assist residents who do not otherwise  
14 qualify for federal or state job training programs to  
15 overcome employment barriers; [~~and~~]
- 16 (6) Training programs to provide job-specific skills for  
17 individuals in need of assistance to improve career  
18 employment prospects [-]; and
- 19 (7) For the period from July 1, 2013, to June 30, 2014,  
20 costs to administer, manage, report, and oversee title  
21 I programs funded under the federal Workforce



1           Investment Act of 1998, Public Law 105-220, as  
2           amended."

3           SECTION 3. If any part of this Act is found to be in  
4 conflict with federal requirements that are a prescribed  
5 condition for the allocation of federal funds to the State, the  
6 conflicting part of this Act is inoperative solely to the extent  
7 of the conflict and with respect to the agencies directly  
8 affected, and this finding does not affect the operation of the  
9 remainder of this Act in its application to the agencies  
10 concerned.

11          SECTION 4. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13          SECTION 5. This Act shall take effect on July 1, 2030;  
14 provided that on July 1, 2014, this Act shall be repealed, and  
15 section 383-128, Hawaii Revised Statutes, shall be reenacted in  
16 the form in which it read on December 31, 2010.

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**Report Title:**

Workforce Investment Act; Department of Labor and Industrial Relations; Employment and Training Fund

**Description:**

Allows Employment and Training Fund moneys collected for the purpose of paying interest assessments on loans to the unemployment trust fund to be used for a period of one year for costs to administer, manage, report, and oversee Title I programs funded under the federal Workforce Investment Act of 1998. Effective 07/01/2030. (HD1)

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