
A BILL FOR AN ACT

RELATING TO LABOR.

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

1 PART I

2 SECTION 1. This Act shall be known and may be cited as the
3 Workforce Development Act.

4 PART II

5 SECTION 2. The purpose of this part is to remove oversight
6 of the manpower and development training program from the state
7 department of labor and industrial relations and establish
8 manpower and development training programs under the authority
9 of the community college system of the University of Hawaii.

10 SECTION 3. Chapter 304A, Hawaii Revised Statutes, is
11 amended by adding a new subdivision to part IV, subpart A, to be
12 appropriately designated and to read as follows:

13 " . MANPOWER DEVELOPMENT AND TRAINING

14 §304A-A Purpose. The purpose of this subdivision is to
15 establish manpower development and training programs in the
16 State of Hawaii and to determine the extent to which the
17 employment needs of individuals can be met by either job
18 training or a public service job or a combination of both.



1 §304A-B Establishment of programs. (a) There is
2 established within the community college system, manpower
3 development and training programs for the various industries in
4 the State. The training programs shall assist those unemployed
5 and underemployed persons who cannot reasonably be expected to
6 obtain suitable full-time employment without the benefit of
7 training. Instruction and training shall be provided by the
8 department of education, the community college system, all
9 campuses of the University of Hawaii, or other suitable
10 agencies. Where a need is indicated to overcome barriers to
11 possible training, the community college system, either on its
12 own or in cooperation with the various departments and agencies
13 of the state and county governments and private industry, may
14 arrange for transportation, child care, health care, and other
15 aids to employment. The community college system may also
16 formulate and implement a program providing useful public
17 service employment to unemployed persons other than public
18 assistance recipients.

19 (b) The department of human services may formulate and
20 implement a program providing useful public service employment
21 to public assistance recipients. Refusal to accept suitable
22 work as determined by the department of human services without



1 justifiable reasons shall render an unemployed or underemployed
2 recipient ineligible for public assistance.

3 **§304A-C Contracts; public and private sectors.** (a) The
4 community college system may enter into contracts for manpower
5 development and training with the department of education, all
6 campuses of the University of Hawaii, or other public agencies.

7 (b) The community college system may enter into contracts
8 with private industry for manpower training and job placement of
9 unemployed persons within the private organizations. The
10 private employer shall be responsible for compensating these
11 persons the minimum wage and the State may assume the
12 differences in wages, if any, by determining the prevailing wage
13 of persons employed in similar positions in private industry
14 during the contract period for the manpower training.

15 (c) The community college system shall formulate standards
16 and adopt rules pursuant to chapter 91 to carry out the purposes
17 of this section.

18 **§304A-D Compensation.** The State shall pay to each person
19 who is enrolled in a manpower development and training program a
20 weekly compensation equal to the average weekly benefit amount
21 provided under chapter 383. The State may pay to each person
22 who is employed on a public service employment project under



1 section 304A-B the prevailing wage of persons employed in
2 similar public employment.

3 **§304A-E Administration.** (a) The community college system
4 may plan and administer manpower development and training
5 programs under this subdivision with the advice of the workforce
6 development council.

7 (b) The community college system shall employ persons in
8 each of the four counties for purposes of coordinating the
9 manpower development and training programs for the community
10 college system within the particular county.

11 (c) The community college system shall process the payment
12 of weekly compensation as provided under this subdivision.

13 **§304A-F Funds.** The State shall provide funds to cover
14 training costs such as instructors' salaries, equipment, and
15 supplies. The State shall also provide funds to cover costs of
16 each coordinator position established under section 304A-E.

17 **§304A-G Type of training.** Training is to be undertaken
18 for those occupations for which there is reasonable expectation
19 of employment upon completion of training with priority given to
20 growth industries, including but not limited to electronics,
21 software, instrumentation, biotechnology, renewable energy,



1 telecommunications, computers, mariculture, aquaculture,
2 tropical agriculture, and Hawaiian natural products.

3 **§304A-H New industry training program.** (a) There is
4 established the new industry training program, which shall be
5 administered by the community college system. Program moneys
6 may be used:

7 (1) To tailor training or retraining programs to meet the
8 needs of qualifying businesses;

9 (2) To reimburse instructors for valid and approved
10 expenditures in delivering instruction under the
11 program;

12 (3) To rent appropriate training facilities and equipment;

13 (4) To purchase or develop materials required to deliver
14 the instruction; and

15 (5) For any other training-related expenses of the
16 program.

17 (b) The community college system shall use the resources
18 of the University of Hawaii, the high technology development
19 corporation, and other educational and training resources in the
20 public and private sectors throughout the State as may be
21 appropriate to provide pre-employment, employment, or on-the-job
22 training for local residents hired by businesses that are



1 relocating to Hawaii or expanding their local operations. To
2 provide the training, the community college system may contract
3 with public agencies, including the various University of Hawaii
4 campuses, private educational institutions, nonprofit
5 corporations, or private entities.

6 **§304A-I Eligibility requirements.** (a) To be eligible for
7 state-assisted training or retraining under section 304A-H,
8 businesses shall:

- 9 (1) Be licensed to do business in Hawaii;
- 10 (2) Establish or expand operations in Hawaii; and
- 11 (3) Be engaged in research, development, manufacturing,
12 production, or delivery of services in growth
13 industries, including but not limited to electronics,
14 software, instrumentation, biotechnology, renewable
15 energy, telecommunications, computers, mariculture,
16 aquaculture, tropical agriculture, Hawaiian natural
17 products, and space applications, including
18 astronomical research.

19 (b) The community college system may adopt rules pursuant
20 to chapter 91 to promote economic expansion within the State by
21 further identifying the businesses and industries that qualify
22 for services and the job positions and persons that are eligible



1 for training under this subdivision and may consult with the
2 department of business, economic development, and tourism prior
3 to issuing these rules."

4 SECTION 4. Chapter 394, Hawaii Revised Statutes, is
5 repealed.

6 SECTION 5. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$500,000 or so much
8 thereof as may be necessary for fiscal year 2014-2015 to hire
9 coordinators for the community college system manpower
10 development and training programs.

11 The sum appropriated shall be expended by the community
12 college system of the University of Hawaii for the purposes of
13 this part.

14 PART III

15 SECTION 6. This part:

16 (1) Appropriates funds to the community college system of
17 the University of Hawaii for the administration of
18 public employment offices within the jurisdiction of
19 the county workforce investment boards, specifically
20 to:

21 (A) Provide seed moneys to be used in consultation
22 with the local workforce investment boards of



1 each of the four counties, to develop and
2 implement plans that benefit employment service
3 programs operated by the counties; and

4 (B) Allow the four local workforce investment boards
5 of each of the four counties to:

- 6 (i) Improve employer outreach and services;
- 7 (ii) Improve labor force pool expansion;
- 8 (iii) Improve capacity building; and
- 9 (iv) Support administration and service delivery
10 of employment and information services in
11 the one-stop operating system; and

12 (2) Provide funds for any infrastructure and support costs
13 of county employment service programs.

14 SECTION 7. There is appropriated from the unemployment
15 trust fund from moneys deposited pursuant to section 383-123(b)
16 the sum of \$15,000,000 or so much thereof as may be necessary
17 for fiscal year 2014-2015 for the administrative expenses of the
18 employment service programs as administered by the county
19 workforce investment boards.

20 Notwithstanding any other law to the contrary, and to the
21 extent allowed under federal law, the sum appropriated shall be
22 transferred by the department of labor and industrial relations



1 to the community college system of the University of Hawaii for
2 expenditure in accordance with the purposes of this part.

3 SECTION 8. No funds appropriated under section 7 to the
4 community college system for use by the community college system
5 may be released by the governor to the community college system
6 until all funds appropriated by the legislature for the benefit
7 of the counties under section 7 have been timely, fully, and
8 completely released to the counties as intended by the
9 legislature.

10 The allotment system powers granted to the governor and the
11 executive branch by the legislature under part II of chapter 37,
12 Hawaii Revised Statutes, shall not apply to the appropriation in
13 section 7, as the appropriation of federal moneys does not
14 affect the solvency of the general fund.

15 SECTION 9. The community college system shall report back
16 to the legislature at least twenty days prior to the convening
17 of the regular session of 2015 on the status of the timely
18 release of funds appropriated for the benefit of the counties
19 under this part. Where a delay in the release of the funds is
20 reported to the legislature by the community college system, the
21 community college system shall explain the delay to the
22 legislature and shall submit to the legislature, as soon as



1 practicable, a corrective action plan intended to ensure the
2 timely release of the funds.

3 PART IV

4 SECTION 10. All rights, powers, functions, and duties of
5 the department of labor and industrial relations regarding the
6 manpower and development training program are transferred to the
7 community college system of the University of Hawaii.

8 All employees who occupy civil service positions and whose
9 functions are transferred to the community college system of the
10 University of Hawaii by this Act shall retain their civil
11 service status, whether permanent or temporary. Employees shall
12 be transferred without loss of salary, seniority (except as
13 prescribed by applicable collective bargaining agreements),
14 retention points, prior service credit, any vacation and sick
15 leave credits previously earned, and other rights, benefits, and
16 privileges, in accordance with state personnel laws and this
17 Act; provided that the employees possess the minimum
18 qualifications and public employment requirements for the class
19 or position to which transferred or appointed, as applicable;
20 provided further that subsequent changes in status may be made
21 pursuant to applicable civil service and compensation laws.



1 Any employee who, prior to this Act, is exempt from civil
2 service and is transferred as a consequence of this Act may
3 retain the employee's exempt status, but shall not be appointed
4 to a civil service position as a consequence of this Act. An
5 exempt employee who is transferred by this Act shall not suffer
6 any loss of prior service credit, vacation or sick leave credits
7 previously earned, or other employee benefits or privileges as a
8 consequence of this Act; provided that the employees possess
9 legal and public employment requirements for the position to
10 which transferred or appointed, as applicable; provided further
11 that subsequent changes in status may be made pursuant to
12 applicable employment and compensation laws. The chancellors of
13 the respective community colleges may prescribe the duties and
14 qualifications of these employees and fix their salaries without
15 regard to chapter 76, Hawaii Revised Statutes.

16 SECTION 11. All appropriations, records, equipment,
17 machines, files, supplies, contracts, books, papers, documents,
18 maps, and other personal property heretofore made, used,
19 acquired, or held by the department of labor and industrial
20 relations relating to the functions transferred to the community
21 college system of the University of Hawaii shall be transferred
22 with the functions to which they relate.



1 SECTION 12. If any provision of this Act is found to be in
2 conflict with federal requirements that are a prescribed
3 condition for the allocation of federal funds to the State, the
4 conflicting provision of this Act shall be held inoperative
5 solely to the extent of the conflict with respect to the
6 agencies directly affected, and shall not affect the operation
7 of the remainder of this Act in its application to the agencies
8 concerned.

9 SECTION 13. In codifying the new subdivision added to part
10 IV, subpart A of chapter 304A, Hawaii Revised Statutes, by
11 section 3 of this Act, the revisor of statutes shall substitute
12 appropriate section numbers for letters used in designating the
13 new sections in this Act.

14 SECTION 14. This Act shall take effect on July 1, 2014.

15

INTRODUCED BY:

Calvin K. Aoy

JAN 17 2014



H.B. NO. 1877

Report Title:

Workforce Development Act; University of Hawaii; Appropriation

Description:

Transfers the Manpower Development and Training Program from DLIR to the University of Hawaii community college system. Appropriates funds to be expended by the community college system for the manpower and development training programs and administrative costs of county employment service programs within the jurisdiction of the county workforce investment boards.

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