

ACT 151

H.B. NO. 1742

A Bill for an Act Relating to Unemployment.

*Be It Enacted by the Legislature of the State of Hawaii:*

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

**“CHAPTER  
STATE PROGRAM FOR THE UNEMPLOYED**

**PART I. GENERAL PROVISIONS**

**Sec. -1 Findings and purpose.** The legislature finds that immediate, speedy action must be taken to reduce unemployment in this State. The present decline in the health of the state and national economies and the high rates of unemployment that will accompany this decline will cause considerable hardship among the peoples of the State. The legislature further finds it is therefore prudent at this time to take steps to alleviate the effects of a

high rate of unemployment through the development of a state unemployment program.

It is the purpose of this chapter to:

- (1) Develop public service employment opportunities in addition to those presently existing.
- (2) Enable unemployed and underemployed persons with transient employment in needed public services jobs, and, whenever feasible, related training and manpower services, to move into employment or training supported under this chapter.
- (3) Supplement the federal public service employment program as set forth in subchapter II of the Federal Comprehensive Employment and Training Act, by creating state-funded additional public service employment jobs based on concepts similar to that already provided for by such federal Act.
- (4) Provide for subsidies and loans for certain private employers to participate in employment programs involving the training and hiring of unemployed persons.
- (5) Encourage the implementation of the Federal Comprehensive Employment and Training Act.

**Sec. -2 Definitions.** As used in this chapter:

- (1) "CETA" means the Federal Comprehensive Employment and Training Act, title 42, U.S.C., section 841, et. seq. (Public Law 92-203).
- (2) "Department" means the department of labor and industrial relations.
- (3) "Director" means the director of labor and industrial relations.
- (4) "Head of household" means an individual if he maintains as his home a household which constitutes the principal place of abode, and includes as a member of such household, a wife, a son, stepson, or stepdaughter of such individual, or a descendant of a son or daughter of such individual, or any other person who is a dependent of the individual. A household includes all persons who occupy a group of rooms or a single room which constitutes a housing unit. A group of rooms or a single room is regarded as a housing unit when it is occupied as a separate living quarters, that is, when the occupants do not live and eat with any other persons in the structure, and when there are complete kitchen facilities for the exclusive use of the occupants of the household.
- (5) "Unemployed persons" includes all underemployed and unemployed heads of households, the disadvantaged, all ex-offenders who are unemployed, all Vietnam veterans who are unemployed, and all disadvantaged or needy youths who are certified as such by the director.

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

**Sec. -4 Reports.** The director shall report on the progress of this chapter to the legislature annually.

## PART II. STATE COMPREHENSIVE EMPLOYMENT AND TRAINING

**Sec. -11 Authority and priorities.** The director may create and administer a statewide state-funded public service employment program. In carrying out the program, the director shall accord priority to individuals to be hired in the following order:

First: Unemployed heads of household who have been unemployed for more than fifteen weeks, including those who have exhausted their unemployment benefits.

Second: All other unemployed heads of households, who are unemployment insurance claimants.

Third: All other unemployed heads of households, whether or not unemployment insurance claimants, who are certified by the director as recipients of state public assistance under chapter 346.

Fourth: All other unemployed persons, whether or not unemployment insurance claimants.

Persons employed in public service jobs under this chapter shall be paid wages which shall not be lower than the State minimum wage.

Such persons shall not be considered state employees and shall not be subject to the provisions of law relating to state employment, including those regarding hours of work, rates of compensation, leave, unemployment compensation, and state employee benefits.

For purposes of chapter 386 such persons shall be deemed employees of the State within the meaning of the term "employee" as defined in section 386-1, and the provisions of that chapter shall apply.

**Sec. -12 Relationship of program under this part to CETA and other state programs.** The program under this part is a state-funded program. Accordingly, the director shall not be required to conform this program with that of the federal public service employment program.

The director shall, immediately upon enactment of this part, implement this part. He shall coordinate the activities with any other state or county activities relating to public service employment, including but not limited to programs under chapter 394, sections 208-5, 346-71, and 346-101, programs under CETA, and the work incentive program under the Federal Social Security Act.

## PART III. STATE ASSISTANCE FOR CERTAIN EMPLOYMENT

**Sec. -21 State subsidy for certain private employers.** Any private employer, whether profit-making or nonprofit making, who agrees to participate in an employment program to train and permanently hire unemployed persons shall be entitled to a state subsidy in accordance with this part and such rules as may be necessary.

**Sec. -22 Nature of subsidy.** The subsidy shall be to defray extra costs of providing employment and a program of training and support services. It may be used for on-the-job training and counseling, job orientation, job-related education, instruction in English as a second language, medical and dental services, transportation expenses, a portion of wages, and other costs

related to such employment.

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

**Sec. -23 Limitations.** No subsidy shall exceed \$1,500 for one permanent job position. The maximum subsidy allowed to any one employer shall be \$25,000 or an amount not to exceed twenty-five per cent of any one employer's work force, whichever is the lesser amount, except under exceptional circumstances as determined by the director. The training subsidy for a given position shall not exceed twenty weeks.

**Sec. -24 Certification required.** Enrollees who work for contract firms shall be certified as disadvantaged by the director, and shall meet the low-income criteria established by the federal government.

**Sec. -25 Program in addition to federal program.** The state-funded subsidy program shall be in addition to, and shall serve as a supplement to the program by the federal government under CETA.

This state-funded subsidy shall not be used to increase the federal CETA subsidy already provided to an employer for the same enrollee. The intent of this part is that this state-funded subsidy is to be used for enrollees not covered under the federal CETA program.

#### PART IV. STATE LOANS FOR CERTAIN EMPLOYMENT

**Sec. -31 State loans for certain private employers.** Any private employer, whether profit or nonprofit, who agrees to participate in an employment program to train and permanently hire unemployed persons shall be entitled to qualify for state low-interest loans for purposes described herein.

**Sec. -32 Nature of loans.** The employer who qualifies shall be entitled to a loan of not more than \$10,000 for each unemployed person that he immediately hires; provided that such persons shall be employed at least one year or for the term of the loan, whichever is longer.

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

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

The director shall adopt rules as may be necessary to carry out the purpose of this part. Any provision to the contrary notwithstanding, the director shall have full authority and discretion to consider, approve, or disapprove any loan application and impose restrictions on any loan made pursuant to this part. Under no circumstances shall any one employer be granted loans exceeding \$100,000."

**SECTION 2.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$11,133,500, or so much thereof as may be necessary, to implement the programs set forth in part II of chapter created in section I of this Act. The funds appropriated shall be expended by the director of labor and industrial relations; provided that \$5,000,000, or so much thereof

as may be necessary, shall be apportioned in the various counties in accordance with the unemployment rate of each county as determined each month by the director.

**SECTION 3.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000, or so much thereof as may be necessary, to implement the programs set forth in parts III and IV of chapter created in section 1 of this Act. The funds appropriated shall be expended by the director of labor and industrial relations.

**SECTION 4.** This Act shall be in effect for the period July 1, 1975 to June 30, 1976. This Act shall lapse and all appropriations under this Act not used shall lapse on June 30, 1976.

**SECTION 5.** This Act shall take effect on July 1, 1975.

(Approved May 29, 1975.)