

ACT 190

H.B. NO. 2947

A Bill for an Act Relating to Employment Security.

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

SECTION 1. The purpose of this Act is to appropriate federal Reed Act moneys to the department of labor and industrial relations for the following initiatives:

- (1) As seed moneys to the department of labor and industrial relations to be used by the department of labor and industrial relations, in consultation with the local workforce investment boards of each of the four counties, to plan, develop, and implement a computer system that benefits workforce development activities and programs operated by the counties;
- (2) To provide funds to assist the State's four local workforce investment boards. The funds will be used by the local boards to improve employer outreach and services, labor force pool expansion, capacity building, and to fund some shared costs for the operations of the one-stop career centers through the following:
 - (A) Employer outreach and services;
 - (B) Labor force pool expansion;
 - (C) Capacity building; and
 - (D) Servicing and maintaining the one-stop operating system; and
- (3) To provide funds to Oahu's workforce investment board.

Further, this Act is also intended to conform to the provisions of P.L. 107-147, Temporary Extended Unemployment Compensation Act of 2002, signed by the President of the United States of America on March 9, 2002. This amendment is needed because the requirements for the Reed Act funds distributed in 2002 differ from the prior special Reed Act distribution made in 2002 under the Balanced Budget Act of 1997. Section 383-123, Hawaii Revised Statutes, must be amended to conform to the Temporary Extended Unemployment Compensation Act of 2002 Reed Act amendments before Hawaii can use the distribution of \$31,000,000.

SECTION 2.¹ Section 383-123, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

“(b) Administrative use. Moneys credited to the account of this State in the unemployment trust fund by the Secretary of the Treasury of the United States pursuant to section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of benefits and for the payment of expenses incurred for the administration of this State’s unemployment compensation law and public employment offices pursuant to a specific appropriation of the legislature; provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law ~~[which:]~~ that:

- (1) ~~[specifies]~~ Specifies the purposes for which the moneys are appropriated and the amounts appropriated therefor~~;~~;
- (2) ~~[limits]~~ Limits the period within which the moneys may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law~~;~~; and
- (3) ~~[limits]~~ Limits the amount ~~[which]~~ that may be obligated ~~[during a twelve-month period beginning on July 1 and ending on the next June 30]~~ to an amount ~~[which]~~ that does not exceed the amount by which ~~[(A)]~~ the aggregate of the amounts credited to the account of this State pursuant to section 903 of the Social Security Act, as amended, ~~[during the same twelve-month period and the thirty-four preceding twelve-month periods]~~ exceeds ~~[(B)]~~ the aggregate of the amounts obligated pursuant to this subsection and charged against the amounts credited to the account of this State ~~[during such thirty-five twelve-month periods. For the purposes of this subsection, amounts which are obligated for administration or paid out for benefits shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount obligated for administration during a twelve-month period specified herein may be charged against any amount credited during such twelve-month period earlier than the thirty-fourth preceding such period].~~

Moneys credited to the account of this State pursuant to section 903 of the Social Security Act, as amended, may not be withdrawn or used except for the payment of benefits and for the payment of expenses for the administration of this chapter pursuant to this subsection.

The appropriation, obligation, and expenditure or other disposition of ~~[money]~~ moneys appropriated under this subsection shall be accounted for in accordance with standards established by the United States Secretary of Labor. Moneys appropriated for the payment of expenses of administration pursuant to this subsection shall be requisitioned as needed for the payment of obligations incurred under the law appropriating the moneys and, upon requisition, shall be deposited in the employment security administration fund from which ~~[such]~~ the payments shall be made. Moneys so deposited ~~[shall]~~, until expended, shall remain a part of the unemployment compensation fund and, if ~~[it will]~~ not ~~[be]~~ expended within one

week after [it is] withdrawn from the unemployment trust fund, shall be returned at the earliest practical date to the Secretary of the Treasury of the United States for credit to this State's account in the unemployment trust fund.

(c) Notwithstanding subsection (b), moneys credited to the State's account in federal fiscal years ending in 2000, 2001, and 2002 shall be used solely for the administration of the unemployment compensation program and are not subject to the specific appropriation requirements of subsection (b)[-], except that moneys credited in calendar year 2002 with respect to P.L. 107-147 shall not be subject to the conditions of this subsection or the two-year limitation requirement specified in subsection (b)."

SECTION 3. Act 249, Session Laws of Hawaii 2005, is repealed.

SECTION 4. There is appropriated from the unemployment insurance trust fund from moneys deposited pursuant to section 383-123(b) the sum of \$10,000,000 or so much thereof as may be necessary for fiscal year 2006-2007 for the purposes specified in this Act as follows:

(1) The sum of:

- (A) \$5,070,557 shall be allocated to the Oahu workforce investment board, which shall work in collaboration with the city and county of Honolulu;
- (B) \$1,528,331 shall be allocated to the Maui workforce investment board, which shall work in collaboration with the county of Maui;
- (C) \$1,275,556 shall be allocated to the Kauai workforce investment board, which shall work in collaboration with the county of Kauai; and
- (D) \$1,925,556 shall be allocated to the Hawaii workforce investment board, which shall work in collaboration with the county of Hawaii,

to improve employer outreach and services, labor force pool expansion, capacity building, and to fund some shared costs for the operations of the one-stop career centers within each county; and

(2) The sum of \$200,000 shall be allocated to the department of labor and industrial relations to be used by the workforce development council for the funding of positions to identify additional funds and resources to support state-wide activities under this act, with the goal of being self sufficient.

The sum appropriated shall be expended by the department of labor and industrial relations for the purposes of this Act; provided that each county workforce investment board shall be required to submit a workforce development plan that shall be approved by the workforce development council prior to the release of funds by the department of labor and industrial relations.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2006.

(Approved June 14, 2006.)

Note

1. The amendments made by Section 2 of Act 249, Session Laws of Hawaii 2005, are restated in this section.