

ACT 101

H.B. NO. 918

A Bill for an Act Relating to the Employment and Training Fund.

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

SECTION 1. The legislature finds that the purpose of the Workforce Investment Act, through statewide and local workforce investment systems, is to increase the employment, retention, and earnings of participants and increase

occupational skill attainment by participants, and as a result, improve the quality of the workforce and enhance the productivity and competitiveness of Hawaii.

The legislature further finds that Act 2, Session Laws of Hawaii 2011, and Act 6, Session Laws of Hawaii 2012, provided a cost effective mechanism to pay interest on moneys borrowed from the federal government to pay unemployment insurance benefits. The employment and training fund was identified as the only cost effective mechanism available to collect an assessment from employers during 2011. If no interest payments were required in 2011, the intent of Act 2 was to have the aggregate amount collected for the purpose of interest payments to constitute the total employment and training assessments for calendar year 2012. However, a small amount of the assessment was used to pay interest due for moneys borrowed from the federal government in December 2010.

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

The purpose of this Act is to allow employment and training fund moneys to be used to supplement insufficient funds allocated under the federal Workforce Investment Act of 1998, Public Law 105-220, as amended, as a temporary, stopgap measure during the next year until a longer-term solution is derived. The purpose of this Act is also to clarify that the moneys collected as part of the employment and training assessment for the purpose of paying interest assessments in 2011 are used by the employment and training fund to support workforce training activities and further the economic recovery of the State.

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

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

- (1) The operation of the state employment service for which no federal funds have been allocated;
- (2) Business-specific training programs to create a more diversified job base and to carry out the purposes of the new industry training program pursuant to section 394-8;
- (3) Industry or employer-specific training programs where there are critical skill shortages in high growth occupational or industry areas;
- (4) Training and retraining programs to assist workers who have become recently unemployed or are likely to be unemployed;
- (5) Programs to assist residents who do not otherwise qualify for federal or state job training programs to overcome employment barriers; ~~and~~
- (6) Training programs to provide job-specific skills for individuals in need of assistance to improve career employment prospects[-]; and
- (7) For the period from July 1, 2013, to June 30, 2014, costs to administer, manage, report, and oversee title I programs funded under the federal Workforce Investment Act of 1998, P.L. 105-220, as amended.”

SECTION 3. If any part of this Act is found to be in conflict with federal requirements that are a prescribed condition for the allocation of federal funds to the State, the conflicting part of this Act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding

does not affect the operation of the remainder of this Act in its application to the agencies concerned.

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

SECTION 5. This Act shall take effect on July 1, 2013.

(Approved June 14, 2013.)