

JAN 19 2007

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# A BILL FOR AN ACT

RELATING TO LABOR AND INDUSTRIAL RELATIONS.

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

1           SECTION 1. The legislature finds that the State's  
2           employment and training fund, established under section 383-128,  
3           Hawaii Revised Statutes, has a declining balance since the  
4           enactment of Act 248, Session Laws of Hawaii 2002, which reduced  
5           employer assessments to the fund. The reduction in the fund's  
6           revenues has resulted in the unintended consequence of a  
7           deficiency in the administration of the fund.

8           The purpose of this Act is to:

- 9           (1) Establish an advisory committee to make  
10           recommendations, relative to the employment and  
11           training fund, to the legislature on:  
12           (A) Methods to increase revenues to the fund; and  
13           (B) Improvements to administration of the fund; and  
14           (2) Transfer reverted revenues to the employment and  
15           training fund; and  
16           (3) Make an appropriation to the employment and training  
17           fund to increase training.



1 SECTION 2. Chapter 36, Hawaii Revised Statutes, is amended  
2 by adding a new section to be appropriately designated and to  
3 read as follows:

4 "§36- Transfer of reverted revenues to employment and  
5 training fund. The director of finance, with the approval of  
6 the governor, may transfer at the end of every fiscal year, up  
7 to ten per cent of unexpended and unencumbered funds in special  
8 funds, revolving funds, special accounts, or appropriations,  
9 that are unexpended and unencumbered at the end of a fiscal year  
10 and that would otherwise revert into the general fund, to the  
11 credit of the employment and training fund under section  
12 383-128. The amounts transferred to the employment and training  
13 fund shall be deemed to be appropriated to that fund for the  
14 purpose of article VII, section 4, of the state constitution."

15 SECTION 3. (a) There is established a temporary advisory  
16 committee to make recommendations to the legislature and the  
17 department of labor and industrial relations on the  
18 administration of the employment and training fund. The  
19 advisory committee shall be under the department of labor and  
20 industrial relations for administrative purposes.

21 (b) The temporary advisory committee shall be appointed by  
22 the governor, without regard to section 26-34, Hawaii Revised



1 Statutes, and shall be composed of a total of eleven  
2 representatives, as follows:

- 3 (1) Two from the Hawaii workforce development council;
- 4 (2) Three from the private sector of business; provided  
5 that one representative under this paragraph shall  
6 represent a small business, one representative shall  
7 represent a medium-sized business, and one shall  
8 represent a large business, as the governor shall  
9 determine;
- 10 (3) Three from labor unions;
- 11 (4) The director of labor and industrial relations, or  
12 designee;
- 13 (5) The director of business, economic development, and  
14 tourism, or designee;
- 15 (6) One to represent the governor's designee.

16 The governor shall appoint the chairperson of the temporary  
17 advisory committee from amongst its members. The members shall  
18 serve without compensation but shall be reimbursed for expenses,  
19 including travel expenses, necessary for the performance of  
20 their duties.

21 (c) The temporary advisory committee shall consider the  
22 following issues and make recommendations thereto:



1           (1) Obtaining other means of increasing revenues to the  
2           employment and training fund, including but not  
3           limited to, repeal of the statutory revisions to  
4           section 383-129(a), Hawaii Revised Statutes, as  
5           enacted by Act 248, Session Laws of Hawaii 2002;

6           (2) Determining a reasonable and necessary constant  
7           balance of funds in the employment and training fund;  
8           and

9           (3) Improving the administration of the employment and  
10          training fund so as to improve the fund's efficacy to  
11          serve its purpose of increasing employment-related  
12          education and training, including but not limited to,  
13          identifying and eliminating barriers and simplifying  
14          the process to providing education and training.

15          (d) The temporary advisory committee shall report to the  
16          legislature no later than twenty days prior to the convening of  
17          the regular session of 2008 on findings and recommendations.

18          (e) The department of labor and industrial relations shall  
19          report on the progress of implementing the temporary advisory  
20          committee's recommendations, which shall be included in the  
21          department's report to the legislature on the status of the



1 employment and training fund pursuant to section 383-128(h),  
2 Hawaii Revised Statutes.

3 (f) The temporary advisory committee shall cease to exist  
4 on May 15, 2008.

5 SECTION 4. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$ , or so  
7 much thereof as may be necessary for fiscal year 2007-2008, to  
8 be deposited into the employment and training fund, established  
9 in section 383-128, Hawaii Revised Statutes.

10 SECTION 5. There is appropriated out of the employment and  
11 training fund the sum of \$ , or so much thereof as may  
12 be necessary for fiscal year 2007-2008, and the same sum, or so  
13 much thereof as may be necessary for fiscal year 2008-2009, for  
14 purposes set forth in section 383-128(b), Hawaii Revised  
15 Statutes.

16 The sums appropriated shall be expended by the department  
17 of labor and industrial relations for the purposes of this Act.

18 SECTION 6. New statutory material is underscored.

19 SECTION 7. This Act shall take effect on July 1, 2007.

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INTRODUCED BY:

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**Report Title:**

Employment and Training

**Description:**

Creates an advisory group to recommend to the legislature improvements to the administration of the employment and training fund. Provides for transfer of reverted revenues to the employment and training fund.

