



GOV. MSG. NO. 807

EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

July 10, 2009

The Honorable Colleen Hanabusa, President
and Members of the Senate
Twenty-Fifth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith SB1665 SD2 HD1 CD1, without my approval, and with the statement of objections relating to the measure.

SB1665 SD2 HD1 CD1

A BILL FOR AN ACT
RELATING TO HIGHER EDUCATION.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".
LINDA LINGLE

EXECUTIVE CHAMBERS

HONOLULU

July 10, 2009

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1665

Honorable Members
Twenty-Fifth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1665, entitled "A Bill for an Act Relating to Higher Education."

The purpose of this bill is to appropriate \$2,400,000 from the Unemployment Insurance Trust Fund and to provide each community college with \$200,000 to establish a skilled worker and business development center at each college.

This bill is objectionable because it expends funds that are needed to pay unemployment benefits and the program that would be set up under this bill duplicates existing workforce development and skills training programs.

Regrettably, unemployment in Hawaii has grown over the past year from 3.6% in May 2008 to 7.4% as of May 2009. This steep rise in unemployment, coupled with an extension of benefits required under federal laws, has meant that the State's fund used to pay unemployed workers is spending more than is currently coming into the fund. While the fund enjoyed very significant balances in 2007 and prior years in excess of \$500,000,000, the fund currently has a balance of \$303,000,000 as of May 2009. This decrease is understandable, given current economic conditions.

However, since none of us knows the depth and length of the current economic crisis, it is imperative that we take steps to preserve these unemployment insurance funds that can be used

STATEMENT OF OBJECTIONS
SENATE BILL NO. 1665
Page 2

to pay workers who have lost their job. This is money they need to feed their families and pay their bills. Any leakage out of the fund will mean less dollars for our workforce.

The bill is also objectionable because it proposes to fund the establishment of skilled-worker and business development centers at each community college that duplicate the efforts of the Workforce Development Boards, the One Stop Centers under the Department of Labor and Industrial Relations, and the Worklinks program. Further, this bill asks these new centers at each community college to provide retraining and cross-training for workers in new technology. However, the University of Hawaii Pacific Center for Advanced Technology and Training already provides these types of services.

For the foregoing reasons, I am returning Senate Bill 1665 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "Linda Lingle", written in a cursive style.

LINDA LINGLE
Governor of Hawaii

A BILL FOR AN ACT

RELATING TO HIGHER EDUCATION.

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

1 SECTION 1. The legislature finds that Hawaii's community
2 colleges can play a critical role in the economic recovery and
3 revitalization of the State, from supporting the individual
4 worker going back to school for enhanced career opportunities to
5 helping companies and nonprofit organizations change the way
6 they do business in these difficult economic times.

7 Community colleges are at the forefront of workforce
8 training both locally and across the United States. Nationally,
9 fifty-nine per cent of new nurses and a majority of new health
10 care workers are educated at community colleges. Nearly eighty
11 per cent of firefighters, law enforcement officers, and
12 emergency medical technicians are credentialed at community
13 colleges. And ninety-five per cent of businesses and
14 organizations that employ community college graduates recommend
15 and support community college workforce education and training
16 programs.



1 In Hawaii, enrollment in the community colleges has grown
2 by ten per cent in the past year, with the seven campuses
3 serving a record twenty-eight thousand five hundred ninety-one
4 students. Hawaii's community colleges have been in the
5 forefront of helping employers improve their operations and
6 overall efficiency through training programs. For example,
7 during the five months that a first time supervisory training
8 program was offered, over three hundred thirty individuals
9 participated in the program, saving businesses \$71,000 through
10 discounted tuition fees. And in response to mass layoffs at
11 Aloha Airlines, ATA, Molokai Ranch, and Weyerhaeuser, \$70,000
12 was allocated from the community college rapid response fund to
13 help displaced workers. Eligible for a one-time fifty per cent
14 tuition scholarship (up to \$500 per displaced worker),
15 eighty-four individuals took advantage of this program to
16 enhance their job skills during the fall of 2008, with more
17 students expected to enroll in the spring 2009 semester.

18 Hawaii's community colleges are poised to help both
19 employees and employers prepare to change the way they work.
20 Employers will need to consider downsizing, cross-training,
21 identifying efficiencies, and developing new business models to
22 survive and to preserve as many jobs as possible. Employees



1 will need access to affordable training and professional
2 services that can be delivered in a timely manner.

3 The purpose of this Act is to enhance the workforce
4 development capacity of Hawaii's community colleges by
5 establishing a skilled worker and business development center to
6 provide workforce development to meet the rapidly evolving needs
7 of both employers and employees.

8 The skilled worker and business development center shall be
9 established at each community college and shall consist of
10 programs including job search assistance, job referral,
11 placement assistance, reemployment services to unemployment
12 insurance claimants, and recruitment services to employers with
13 job openings.

14 This Act makes an appropriation to the University of Hawaii
15 to establish and implement the skilled worker and business
16 development center, provided that a specific amount of the
17 appropriation is allocated for each community college to
18 implement programs within the skilled worker and business
19 development center as they deem most appropriate for the
20 particular community they serve.

21 Additionally to the extent possible, appropriated funds
22 shall be from moneys received by the State pursuant to section



1 209 of the Job Creation and Workers Assistance Act of 2002,
2 commonly referred to as the Reed Act. The University of Hawaii
3 may also expend moneys appropriated to it by the legislature and
4 additional revenues generated to cover the cost of effectuating
5 this Act to the extent that federal moneys are not permitted to
6 be used under the requirements of the Reed Act.

7 SECTION 2. (a) There is established under program ID
8 UOH 800, University of Hawaii community colleges, a skilled
9 worker and business development center to develop curriculum to
10 assist businesses and nonprofit organizations retrain and cross-
11 train workers to adapt to the economic downturn and new
12 technology. The skilled worker and business development center
13 may be modeled after the Pacific center for advanced technology
14 training, which is a not-for-profit consortium of the University
15 of Hawaii community colleges.

16 The skilled worker and business development center shall
17 provide workforce development programs, including:

18 (1) Facilitated self-help courses that work with employees
19 to reassess skill sets, obtain additional training,
20 and consider new fields of work following a layoff or
21 loss of employment for other reason;



(2) Affordable re-training and cross-training programs to assist specific small business and nonprofit organizations that are in the process of reorganizing their business plan or structure;

(3) Specialized training courses to assist workers in adapting to workplace changes, provided that the necessity of the courses shall be supported by empirical and statistical data; and

(4) Other permissible program services pursuant to the Wagner-Peyser Act of 1933.

(b) In addition to providing workforce development, the skilled worker and business development center shall include a two-fold counseling component providing:

(1) Assistance to businesses and nonprofit organizations that face difficult economic times or changes in their industry; and

(2) Occupational and career counseling for displaced workers or other individuals.

(c) There is established an advisory board for the skilled worker and business development center, which shall include representatives from the:

(1) University of Hawaii community college system;



1 (2) Seven community college campuses;
2 (3) Department of education;
3 (4) County workforce investment boards;
4 (5) Hawaii Alliance of Nonprofit Organizations;
5 (6) Hawai'i Community Foundation;
6 (7) Hawaii Business Roundtable Incorporated;
7 (8) Chamber of Commerce of Hawaii;
8 (9) Small Business Administration; and
9 (10) United States armed forces in Hawaii.

10 (d) The skilled worker and business development center
11 shall submit a report to the legislature no later than twenty
12 days prior to the convening of the 2010 regular session setting
13 forth, at minimum, the progress achieved regarding the
14 establishment and start-up of the skilled worker and business
15 development center; the development plan for the skilled worker
16 and business development center; funding options,
17 recommendations, and requirements for the skilled worker and
18 business development center and the specific programs thereunder
19 at the various community colleges. Funding options shall
20 include funds appropriated pursuant to section 383-123(b),
21 Hawaii Revised Statutes, other state funds, private funds,



1 federal grants, and self-generating income of the University of
2 Hawaii.

3 Thereafter, the skilled worker and business development
4 center shall submit an annual report to the legislature no later
5 than twenty days prior to the convening of each regular session
6 detailing the training and counseling programs, the numbers of
7 businesses, nonprofit organizations, and individuals
8 participating in the center programs, and the usage of Reed Act
9 funds and other moneys from other sources used for the skilled
10 worker and business development center.

11 SECTION 3. (a) There is appropriated out of the
12 unemployment trust fund from moneys deposited pursuant to
13 section 383-123(b), Hawaii Revised Statutes, the sum of
14 \$2,400,000 or so much thereof as may be necessary for fiscal
15 year 2009-2010 to assist in the establishment and start-up of
16 the skilled worker and business development center and the
17 development of its skills-based program, including curriculum
18 design and counseling services; provided, however, that \$200,000
19 shall be provided to each community college of the University of
20 Hawaii system to implement skills-based programs deemed
21 appropriate by each community college consistent with the
22 skilled worker and business development center.



1 The sums appropriated shall be expended by the department
2 of labor and industrial relations for the purposes of this Act;
3 provided that the funds shall be expended in conjunction with
4 the University of Hawaii through the rapid response fund
5 established under program ID UOH 800, University of Hawaii
6 community colleges.

7 (b) To the extent that moneys appropriated pursuant to
8 subsection (a) are not permitted to be used to effectuate this
9 Act, the University of Hawaii may also expend moneys previously
10 appropriated to it by the legislature and additional revenues
11 generated.

12 SECTION 4. If any part of this Act is found to be in
13 conflict with federal requirements that are a prescribed
14 condition for the allocation of federal funds to the State, the
15 conflicting part of this Act is inoperative solely to the extent
16 of the conflict and with respect to the agencies directly
17 affected, and this finding does not affect the operation of the
18 remainder of this Act in its application to the agencies
19 concerned.

20 SECTION 5. This Act shall take effect on July 1, 2009.

