
A BILL FOR AN ACT

RELATING TO EMPLOYMENT.

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

1 SECTION 1. The legislature finds that, according to the
2 2016 Hawaii statewide point in time count, the total number of
3 unsheltered individuals and families in the State increased by
4 twelve per cent between 2015 and 2016. This increase has
5 occurred despite the additional attention and resources offered
6 by the State to mitigate the issue of homelessness.

7 The legislature further finds that a number of
8 jurisdictions across the United States have introduced programs
9 to help homeless individuals find work. For example, a program
10 launched in Albuquerque, New Mexico offers homeless persons day
11 jobs that pay wages higher than the state's minimum wage. This
12 program has proved to be successful, assisting over nine hundred
13 individuals in less than a year. Over one hundred persons
14 participating in the program have also found permanent work. In
15 addition, a similar program modeled after the Albuquerque
16 program was recently introduced in Tucson, Arizona.



1 employment program. In carrying out the program, the director
2 shall accord priority to individuals to be hired in the
3 following order:

4 (1) Unemployed persons who have been unemployed for more
5 than fifteen weeks, including those who have exhausted
6 their unemployment benefits;

7 (2) All other unemployed persons who are unemployment
8 insurance claimants, including those who have
9 exhausted their unemployment benefits;

10 (3) All other unemployed persons, whether or not they are
11 unemployment insurance claimants, who are certified by
12 the director as recipients of state public assistance
13 under chapter 346; and

14 (4) All other unemployed persons, whether or not they are
15 unemployment insurance claimants.

16 (b) Persons employed in public service jobs under this
17 chapter shall not be paid wages below the state minimum wage.

18 (c) Persons under subsection (b) shall not be considered
19 state employees and shall not be subject to the laws relating to
20 state employment benefits, including those regarding hours of



1 work, rates of compensation, leave, unemployment compensation,
2 and state employee benefits.

3 (d) For purposes of chapter 386, persons under subsection
4 (b) shall be deemed employees of the State within the meaning of
5 the term "employee" as defined in section 386-1, and the
6 provisions of that chapter shall apply.

7 **§ -3 Relationship of program under this part to other**
8 **state programs.** The program under this part shall be a state-
9 funded program. Accordingly, the director shall not be required
10 to conform this program with that of other public service
11 employment programs.

12 The director, immediately upon enactment of this part,
13 shall implement this part. The director shall coordinate the
14 activities under this part with any other state or county
15 activities relating to public service employment, including but
16 not limited to programs under chapters 202, 394, and 394B,
17 section 346-71, and part V of chapter 346.

18 **§ -4 Rules.** The director shall adopt rules pursuant to
19 chapter 91 necessary for the purposes of this chapter.

20 **§ -5 Reports.** The director shall report annually to the
21 legislature on the progress of implementing this chapter.



1 **PART II. STATE ASSISTANCE FOR CERTAIN EMPLOYMENT**

2 § **-11 State subsidy for certain employers.** Any
3 employer, whether or not operated for profit, who agrees to
4 participate in an employment program to train and permanently
5 hire unemployed persons, shall be entitled to a state subsidy in
6 accordance with this part and any rules adopted thereunder.

7 § **-12 Nature of subsidy.** The subsidy shall be to defray
8 extra costs of providing employment and a program of training
9 and support services. The subsidy may be used for on-the-job
10 training and counseling, job orientation, job-related education,
11 instruction in English as a second language, medical and dental
12 services, transportation expenses, a portion of wages, and other
13 costs related to the employment.

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

20 § **-13 Limitations.** No subsidy shall exceed
21 \$ for one permanent job position. The maximum subsidy



1 allowed to any one employer shall be \$ or an amount not
2 to exceed twenty-five per cent of any one employer's workforce,
3 whichever is the lesser amount, except under exceptional
4 circumstances as determined by the director. The training
5 subsidy for a given position shall not exceed twenty weeks.

6 **PART III. STATE LOANS FOR CERTAIN EMPLOYMENT**

7 **§ -21 State loans for certain private employers.** Any
8 private employer, whether or not operated for profit, who agrees
9 to participate in an employment program to train and permanently
10 hire unemployed persons shall be eligible for a state low-
11 interest loan for purposes described in this part.

12 **§ -22 Nature of loans.** The employer who qualifies shall
13 be entitled to a loan of not more than \$ for each
14 unemployed person that the employer immediately hires; provided
15 that the unemployed person shall be employed by the employer
16 receiving the loan for at least one year or for the term of the
17 loan, whichever is longer.

18 The loan shall be for a term not to exceed five years, at
19 the rate of per cent interest per year, and shall be
20 payable in equal monthly installments of principal and interest.



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

3 Any provision to the contrary notwithstanding, the director
4 shall have full authority and discretion to consider, approve,
5 or disapprove any loan application and impose restrictions on
6 any loan made pursuant to this part. Under no circumstances
7 shall any one employer be granted loans exceeding \$."

8 SECTION 3. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$ or so much
10 thereof as may be necessary for fiscal year 2017-2018 and the
11 same sum or so much thereof as may be necessary for fiscal year
12 2018-2019 to implement section 2 of this Act.

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

15 SECTION 4. This Act shall take effect on July 1, 2017.

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INTRODUCED BY: *James S. King*

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JAN 20 2017



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Report Title:

Homelessness; Public Service Employment Program; Appropriation

Description:

Addresses the issue of homelessness by creating a statewide, state-funded, subsidized public service employment program. Authorizes subsidies and low-interest loans for employers who participate in the program. Makes an appropriation.

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