

A Bill for an Act Relating to Unemployment.

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

SECTION 1. The continued hardships caused by Hawaii's high rate of unemployment requires legislative action to ease the situation for Hawaii families. There is no sharp decline in the unemployment rate expected within the near future. Thus, more flexibility in providing on-the-job training to qualified enrollees is needed. This can be done by eliminating the "economically disadvantaged" category.

Therefore, it is the purpose of this Act to ease the hardships caused by unemployment by making changes in the state program for unemployed.

SECTION 2. Section -2 of section 1 of Act 151, Session Laws of Hawaii 1975, as amended, is amended to read:

"Sec. -2 Definitions. As used in this chapter:

- (1) "CETA" means the Federal Comprehensive Employment and Training Act, title 42, U.S.C., section 841, et. seq. (Public Law 92-203).
- (2) "Department" means the department of labor and industrial relations.
- (3) "Director" means the director of labor and industrial relations.
- (4) "Unemployed individual" means an individual who is without a job, is able, is available for, and is seeking full-time employment."

SECTION 3. Section -11 of section 1, Act 151, Session Laws of Hawaii 1975, as amended, is amended to read as follows:

"Sec. -11 Authority and priorities. The director may create and administer a statewide state-funded public service employment program under which job training including institutional training, on-the-job training, and such other forms of training as may be deemed useful by the director to develop skills or retrain, may be established. In carrying out the program, the director shall accord priority to individuals to be hired in the following order:

First: Unemployed individuals who have been unemployed for more than fifteen weeks, including those who have exhausted their unemployment benefits.

Second: All other unemployed individuals who are unemployment insurance claimants, including those who have exhausted their unemployment benefits.

Third: All other unemployed individuals, whether or not unemployment insurance claimants, who are certified by the director as recipients of state public assistance under chapter 346.

Fourth: All other unemployed and underemployed individuals, whether or not unemployment insurance claimants.

Persons employed in public service jobs under this chapter shall be paid wages which shall not be lower than the state minimum wage nor higher than

\$10,000 a year.

Such persons shall not be considered state employees and shall not be subject to the provisions of law relating to state employment, including those regarding hours of work, rates of compensation, leave, unemployment compensation, collective bargaining, and state employee benefits, except that such persons shall be entitled to employee coverage under chapter 87, Hawaii Revised Statutes.

For purposes of chapter 386 such persons shall be deemed employees of the State within the meaning of the term "employee" as defined in section 386-1, and the provisions of that chapter shall apply."

SECTION 4. Act 151, Session Laws of Hawaii 1975, as amended, is amended by adding a new section -5 to section 1 to read:

"Sec. -5 **Civil service exemption.** The director may employ necessary administrative staff for the program in positions that are exempt from chapters 76 and 77. Regular employees of the department assigned to the program shall remain subject to chapters 76 and 77."

SECTION 5. Act 151, Session Laws of Hawaii 1975, is amended by amending sections -21 and -22 of section 1 to read as follows:

"Sec. -21 **State subsidy for certain employers.** Any employer, whether profit-making or nonprofit making, who agrees to participate in an employment program to train, including institutional training, on-the-job training, and such other forms of training as may be deemed useful by the department, to retrain, to develop skills to complement government employment security programs, and to permanently hire unemployed persons shall be entitled to a State subsidy in accordance with this part and such rules as may be necessary.

Sec. -22 **Nature of subsidy.** The subsidy shall be to defray extra costs of providing employment and a program of training, including institutional training, on-the-job training, and such other forms of training as may be deemed useful by the department, retraining, skills development, and support services. It may be used for on-the-job training and counseling, job orientation, job-related education, instruction in English as a second language, medical and dental services, transportation expenses, a portion of wages, and other costs related to such employment.

All subsidies shall be made directly to the employer by the director. The amounts of the subsidies shall be determined by the director in accordance with guidelines adopted by him, and all subsidies shall be incorporated into contracts entered into between the director and the participating employers."

SECTION 6. Act 151, Session Laws of Hawaii 1975, is amended by repealing section -24 of section 1.

SECTION 7. Section 4 of Act 151, Session Laws of Hawaii 1975, as amended, is amended to read:

"SECTION 4. This Act shall be in effect for the period July 1, 1975 to June 30, 1978. Appropriations made under Act 151, SLH 1975 and Act 134, SLH 1976 and not encumbered shall lapse on June 30, 1977."

ACT 3

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of \$12,000,000, or so much thereof as may be necessary to implement Act 151, Session Laws of Hawaii 1975, as amended by Act 134, Session Laws of Hawaii 1976, and as further amended by this Act. The sum appropriated shall be expended by the director of labor and industrial relations for the purposes of this Act.

SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000, or so much thereof as may be necessary to implement the program set forth in parts III and IV of the chapter created in section 1 of Act 151, Session Laws of Hawaii 1975, as amended by Act 134, Session Laws of Hawaii 1976, and as further amended by this Act. The sum appropriated shall be expended by the director of labor and industrial relations for the purposes of this Act.

SECTION 10. This Act shall lapse and all appropriations under this Act not encumbered or expended on June 30, 1978 shall lapse into the State general fund. Notwithstanding this lapse date, administrative staff may be continued for purposes of program closeout, up to December 31, 1978.

SECTION 11. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.*

SECTION 12. This Act shall take effect on July 1, 1977.

(Approved June 16, 1977.)

*Edited accordingly.