

Honolulu, Hawaii

May 1, 2007

RE: H.B. No. 751
H.D. 1
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 751, H.D. 1, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to support workforce and economic development by:

- (1) Extending the time period in which the Department of Labor and Industrial Relations (DLIR) may expend Reed Act monies appropriated under Act 190, Session Laws of Hawaii 2006 (Act 190);
- (2) Removing restrictions placed on funds used by the Workforce Development Council that conflict with federal restrictions; and



- (3) Providing DLIR with a specific sum of money for administrative purposes.

Act 190 provided \$10,000,000 in Reed Act funds to four county workforce investment boards for workforce and economic development purposes. However, the one-year time frame to expend these funds has proven to be inadequate due to the complexity of the issue and the procedural requirements involved in using federal funds.

While your Committee on Conference finds that \$127,245 is adequate for DLIR to administer Reed Act funds, it is your Committee on Conference's understanding that the workforce investment boards and Workforce Development Council are willing to assist DLIR with administrative expenses should the appropriation prove inadequate.

Accordingly, Your Committee on Conference has amended this measure by:

- (1) Specifying that the funds appropriated to DLIR are for administrative expenses including but not limited to the cost of providing oversight, monitoring, and reporting;
- (2) Allowing the county workforce investment boards and Workforce Development Council to use a portion of the sums allocated to them to further compensate DLIR for administrative expenses not covered by funds appropriated to DLIR; and
- (3) Requiring DLIR, the Workforce Development Council, and the county workforce investment boards to negotiate the additional compensation in paragraph (2).

Technical nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 751, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 751, H.D. 1, S.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

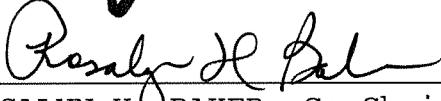
ON THE PART OF THE HOUSE



CLAYTON HEE, Chair



ALEX M. SONSON, Co-Chair



ROSALYN H. BAKER, Co-Chair



BOB NAKASONE, Co-Chair



