

STAND. COM. REP. NO.

283

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 1665
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Higher Education and Labor, to which was referred S.B. No. 1665 entitled:

"A BILL FOR AN ACT RELATING TO HIGHER EDUCATION,"

beg leave to report as follows:

The purpose of this measure is to enhance the training capacity of Hawaii's community colleges by establishing a Skilled Worker and Business Development Center to provide workforce training to meet the rapidly evolving needs of both employers and employees, and to appropriate federal Reed Act funds to assist in creation of the Center and its programs.

Testimony in support of this measure was submitted by the University of Hawai'i System and the Department of Education. Testimony in opposition was submitted by the Department of Labor and Industrial Relations. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that Act 190, Session Laws of Hawaii 2006, allocated \$10,000,000 from Reed Act funds to the four counties and the State Workforce Development Council for various employment and employment-related services. The law was amended by Act 123, Session Laws of Hawaii 2007, to provide an allocation to the Department of Labor and Industrial Relations for reporting, contracting, and oversight of use of the funds and to reduce the allocations to counties by a pro-rata share to ensure the total appropriation remained at \$10,000,000. An additional \$5,600,000 was appropriated by Act 189, Session Laws of Hawaii 2008, which

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allocated Reed Act funds to the Counties of Hawaii and Maui and to the Department of Labor Industrial Relations for additional workforce services, including services for an increasing number of dislocated workers.

Your Committees believe these Acts have clearly established acceptable, alternative means of expending Reed Act funds. However, your Committees have heard concerns that federal regulations prohibit the Reed Act funds from being expended for training, and require the funds to be expended by the Department of Labor and Industrial Relations. As clearly stated in the appropriation section, the funds are to be used for creation of a program to meet the needs of unemployed workers, not the actual training component. Your Committees concur that this measure is too important for both workers and employers to jeopardize its passage by not meeting all federal requirements.

In addition to the following amendments, your Committees will seek to contact the United States Department of Labor to clarify how the measure might be further amended to satisfy federal requirements and shall advise the Committee on Ways and Means of the information received.

Your Committees have amended this measure by:

- (1) Designating the Department of Labor and Industrial Relations as the expending agency; provided that the funds shall be expended in conjunction with the University of Hawaii through the rapid response fund established under program ID (UOH 800), University of Hawaii community colleges;
- (2) Adding a representative of the Small Business Administration to the advisory council; and
- (3) Making a technical amendment to correct a drafting error.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1665, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1665, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Higher Education
and Labor,



DWIGHT Y. TAKAMINE, Chair



JILL TOKUDA, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Labor
LBR

Bill / Resolution No.:* SB 1665	Committee Referral: HRE/LBR, WAM	Date: 2/10/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TAKAMINE, Dwight Y. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BUNDA, Robert				✓
HEE, Clayton				✓
SLOM, Sam	✓			
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes