

HB2655, HD2

NEIL ABERCROMBIE
GOVERNOR



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March 12, 2012

To: The Honorable Clayton Hee, Chair,
The Honorable Maile S.L. Shimabukuro, Vice Chair, and
Members of the Senate Committee on Judiciary and Labor

Date: Monday, March 12, 2012
Time: 10:00 a.m.
Place: Conference Room 016, State Capitol

From: Dwight Y. Takamine, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 2655 HD 2 Relating to Labor

I. OVERVIEW OF PROPOSED LEGISLATION

- H.B. No. 2655 HD2 seeks to establish a training program to expand workforce investment activities currently administered by the department pursuant to the Workforce Investment Act of 1998.
- The bill appropriates an undefined amount of State funds for this training program and allocates them to county workforce investment boards.
- Target population for the training program includes the unemployed and underemployed; veterans; persons with disabilities; non-native English speakers; homeless persons; and persons recently released from incarceration.
- The bill also allows the department to use monies in the Employment Training Fund for one year to pay for costs to administer, report, and oversee Workforce Investment Act programs for which insufficient federal funds were allotted.

II. CURRENT LAW

There is no comparable State law at this time—only a tiny amount of general funds supports workforce development activities in DLIR.

III. COMMENTS ON H.B. No. 2655, HD 2

The workforce development activities of the department are currently under serious fiscal constraints due to restrictions arising out of recent federal budget decisions. Therefore, the department appreciates the intent of this measure to augment and expand the reach of workforce investment activities. If the legislature chooses to provide general funds for workforce activities, the department requests that the allocation of those program funds include a 15% proportion for administration.

In addition, the fiscal constraints for administrative costs are severe, and they will seriously erode the department's capability to administer federal funds being received for workforce program. While a more permanent solution is sought, the bill will enable the department to carry out its required functions to oversee, manage, report, and draw down cash to allow the continued operation of federal programs on every county. Without these financial resources, the integrity of the programs will be jeopardized, and counties may experience long delays in receiving cash that could result in temporary shutdowns of programs.

The department supports this measure as long as its passage does not displace the funding priorities of the administration.

The Twenty-Sixth Legislature
Regular Session of 2012

THE SENATE

Committee on Judiciary and Labor
Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair
State Capitol, Conference Room 016
Monday, March 12, 2012; 10:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 2655, HD2
RELATING TO LABOR**

The ILWU Local 142 supports H.B. 2655, HD2, which directs DLIR to establish a state-funded training program to expand the workforce investment activities administered by the DLIR under the federal Workforce Investment Act (WIA), makes an appropriation, and allows Employment and Training Fund (ETF) monies to be used for a period of one year for costs to administer, manage, report, and oversee Title I programs funded under WIA for which insufficient federal funds were allocated.

The ILWU has always supported workforce training programs and has been actively involved in Workforce Investment Boards throughout the State for years. We are keenly aware of the steady decrease in WIA funding even prior to the recession. This has meant significantly greater challenges for agencies serving unemployed persons and dislocated workers. With less funding, the focus has been more on job placement, even in jobs that may pay low wages and have no future, rather than job training that will offer skill development and a career.

H.B. 2655, HD2 will provide for a state-funded job training program free from the restrictions and uncertainty of federal funding. Agencies serving the unemployed and dislocated workers will be able to prepare adult workers for new and emerging industries and help them get the education and develop marketable skills to sustain them until retirement.

H.B. 2655, HD2 will also allow the Department of Labor and Industrial Relations to use ETF monies to administer and oversee the WIA monies allocated to the State for workforce programs. Although federal WIA monies continue to be provided to the State, funds for administration have declined, placing an unsustainable burden on the Department's resources.

The ILWU urges passage of H.B. 2655, HD2. Thank you for the opportunity to offer testimony on this bill.