

JAN 27 2016

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**A BILL FOR AN ACT**

RELATING TO THE HAWAII WORKFORCE DEVELOPMENT COUNCIL.

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

1           SECTION 1. The legislature finds that the Workforce  
2 Innovation and Opportunity Act supersedes the Workforce  
3 Investment Act and sets forth different council composition  
4 requirements, different state workforce development system plan  
5 specifications, and different council functions than the  
6 Workforce Investment Act. Chapter 202, Hawaii Revised Statutes,  
7 establishes the workforce development council to fulfill the  
8 functions of the state workforce development board for purposes  
9 of the federal Workforce Investment Act of 1998, Public Law No.  
10 105-220.

11           The purpose of this Act is to conform chapter 202, Hawaii  
12 Revised Statutes, to the federal Workforce Innovation and  
13 Opportunity Act of 2014, Public Law No. 113-128, effective July  
14 1, 2015.

15           SECTION 2. Section 202-1, Hawaii Revised Statutes, is  
16 amended to read as follows:

# S.B. NO. 2891

1           "§202-1 Council; appointment; tenure. The advisory  
2 commission on employment and human resources is hereby  
3 constituted as the workforce development council. The council  
4 shall also fulfill the functions of the state workforce  
5 [investment] development board for purposes of the federal  
6 [~~Workforce Investment Act of 1998, Public Law No. 105-220.~~]  
7 Workforce Innovation and Opportunity Act, P. L. No. 113-128.

8           Except for the ex officio members or their designees, the  
9 council members shall be appointed by the governor for four-year  
10 staggered terms as provided for in section 26-34. The governor  
11 shall appoint the chairperson of the council and ~~the two mayors~~  
12 ~~to the council. The council shall be composed of thirty one~~  
13 ~~members. The members shall be selected on the basis of their~~  
14 ~~interest in and knowledge of workforce development programs in~~  
15 ~~the State and how they can support economic development]. The~~  
16 council shall be [~~composed of the following representatives of~~  
17 ~~whom the majority shall be from the private sector:] constituted~~  
18 as provided by P.L. 113-128 (29 U.S.C. §311) [~~of whom the~~  
19 ~~majority shall be from the private sector]:~~

20           (1) The directors of labor and industrial relations, human  
21 services, and business, economic development, and  
22 tourism; the superintendent of education; and the

# S.B. NO. 2891

1 president of the University of Hawaii or their  
2 designees, as ex officio ~~[[], []]~~ voting members;

3 (2) The private ~~[business]~~ sector chairpersons of the four  
4 county workforce ~~[investment]~~ development boards, or  
5 their designees from the private ~~[business]~~ sector  
6 membership of their respective boards, as ex  
7 officio~~[+], ++]~~ voting members;

8 (3) ~~[Twelve additional private sector]~~ Fourteen  
9 representatives from ~~[business,]~~ the private sector,  
10 including nonprofit organizations and businesses in  
11 the State;

12 (4) [One representative from a community-based Native  
13 Hawaiian organization that operates workforce  
14 development programs;] Seven representatives from  
15 labor organizations and workforce training  
16 organizations, one of which shall be a representative  
17 from a community-based native Hawaiian organization  
18 that operates workforce development programs;

19 ~~[-(5) Two representatives from labor;]~~

20 [6] (5) ~~[Four members]~~ A member of each chamber of the  
21 legislature, ~~[two from each house]~~ for two-year terms  
22 beginning in January of odd-numbered years, appointed

S .B. NO. 2891

1 by the appropriate presiding officer of each [house]  
2 chamber, as ex officio[+], [+] voting members;

3 [7] (6) [Two] The four mayors or their designees, as ex  
4 officio[+], [+] voting members; and

5 [8] (7) The governor or the governor's designee.

6 [The] Council members shall serve without compensation but  
7 shall be [entitled to] reimbursed for ~~entitled to~~ travel  
8 expenses [~~when actually engaged in business relating to the work~~  
9 ~~of the council.~~] necessary for the performance of their duties.

10 From the effective date of this Act and until such time  
11 that the council has thirty-seven members, sixteen council  
12 members shall constitute a quorum to do business, and the  
13 concurrence of at least sixteen council members shall be  
14 necessary to make any action of the council valid.

15 All council members may continue to serve on the council  
16 until their respective successors have been appointed. A person  
17 appointed to fill a vacancy shall serve the remainder of the  
18 term of the person's predecessor. "

19 SECTION 3. Section 202-2, Hawaii Revised Statutes, is  
20 amended to read as follows:

21 "§202-2 Duties of council. [~~The workforce development~~  
22 ~~council shall~~+

# S.B. NO. 2891

1       ~~(1) Prepare and update periodically a comprehensive state~~  
2           ~~plan for workforce development with strategic goals~~  
3           ~~and measurable outcomes. The comprehensive state plan~~  
4           ~~shall include:~~

5       ~~(A) Strategic goals of workforce development~~  
6           ~~programs, including the identification of the~~  
7           ~~desired number of highly skilled workers in the~~  
8           ~~workforce, the number of placements of~~  
9           ~~individuals into higher skilled jobs, the~~  
10          ~~identification of high demand areas for job~~  
11          ~~growth, the need for skilled workers in the next~~  
12          ~~five and ten years, and the time frame for~~  
13          ~~training and development;~~

14       ~~(B) Methods to educate the private sector about~~  
15          ~~state, federal, and private financial assistance~~  
16          ~~available for workforce development;~~

17       ~~(C) Methods to facilitate access to workforce~~  
18          ~~development resources, including the reduction of~~  
19          ~~regulatory burdens for employers and employees;~~

20       ~~(D) The creation and improvement of educational~~

# S. B. NO. 2891

1 ~~opportunities for individuals to learn and~~  
2 ~~develop new skills, including mentoring, project-~~  
3 ~~based learning, and internships;~~

4 ~~(E) Methods to facilitate the department of~~  
5 ~~education's development of curriculum in the~~  
6 ~~public schools to prepare students for employment~~  
7 ~~in the private sector;~~

8 ~~(F) Recommendations to change and improve existing~~  
9 ~~state programs, including the elimination of~~  
10 ~~ineffective programs and the creation of new~~  
11 ~~programs to improve workforce development;~~

12 ~~(G) The identification of resources required,~~  
13 ~~obstacles to overcome, and best practice models~~  
14 ~~to implement the comprehensive state strategic~~  
15 ~~plan; and~~

16 ~~(H) A detailed budget for the comprehensive state~~  
17 ~~plan with a justification for each expenditure;~~

18 ~~(2) Review and assess the coordination between the State's~~  
19 ~~workforce development programs, including programs of~~  
20 ~~the federal government operating in the State, and~~  
21 ~~placements in higher skilled jobs to expand economic~~  
22 ~~development and diversification; and consider.~~

S . B. NO. 2891

- 1           ~~(A) The State's employment and training requirements~~  
2                           ~~and resources;~~
- 3           ~~(B) Practices of employers and unions that impede or~~  
4                           ~~facilitate the mobility of workers; and~~
- 5           ~~(C) The special problems of untrained and~~  
6                           ~~inexperienced youth, immigrants, persons with~~  
7                           ~~disabilities, welfare clients, single parents,~~  
8                           ~~disadvantaged minorities, and other groups facing~~  
9                           ~~barriers in the labor force;~~
- 10          ~~(3) Serve as an information clearinghouse for all~~  
11                           ~~workforce development programs in the State, including~~  
12                           ~~workforce training and education programs;~~
- 13          ~~(4) Analyze and interpret workforce information,~~  
14                           ~~particularly changes which are likely to occur during~~  
15                           ~~the next ten years; the specific industries,~~  
16                           ~~occupations, and geographic areas which are most~~  
17                           ~~likely to be involved; and the social and economic~~  
18                           ~~effects of these developments on the State's economy,~~  
19                           ~~labor force, communities, families, social structure,~~  
20                           ~~and human values;~~
- 21          ~~(5) Define those areas of unmet workforce and economic~~  
22                           ~~development needs and describe how private and public~~

# S . B . N O . 2 8 9 1

1           ~~agencies can coordinate their efforts and collaborate~~  
2           ~~with each other to address those needs;~~  
3           ~~(6) Recommend to the governor and the legislature, state~~  
4           ~~policies and funding priorities based on local~~  
5           ~~community input that it believes should be adopted by~~  
6           ~~the state government in meeting its workforce~~  
7           ~~development responsibilities to:~~  
8           ~~(A) Establish a workforce development system in the~~  
9           ~~State in which resources are pooled and programs~~  
10           ~~are coordinated and streamlined;~~  
11           ~~(B) Establish reporting requirements for job~~  
12           ~~placement results by category of occupations in~~  
13           ~~high demand and high growth areas;~~  
14           ~~(C) Encourage a program of useful research into the~~  
15           ~~State's workforce requirements, development, and~~  
16           ~~utilization; and~~  
17           ~~(D) Support recommended workforce policies that~~  
18           ~~promote economic development, diversification,~~  
19           ~~and well being of the people in this State;~~  
20           ~~provided that the duties and responsibilities of the workforce~~  
21           ~~development council shall not impinge on the constitutional and~~  
22           ~~statutory authority of the board of regents and the board of~~



# S .B. NO. 2891

1 ~~education, and the statutory authority of the state board for~~  
2 ~~career and technical education;~~

3 ~~(7) Create public awareness and understanding of the~~  
4 ~~State's workforce development plans, policies,~~  
5 ~~programs, and activities, and promoting them as~~  
6 ~~economic investments;~~

7 ~~(8) Submit annual reports of its activities and~~  
8 ~~recommendations to the governor and the legislature,~~  
9 ~~and post the annual reports electronically on the~~  
10 ~~Internet no later than twenty days before the~~  
11 ~~convening of each regular session. Annual reports~~  
12 ~~shall include:~~

13 ~~(A) The status of the comprehensive state plan for~~  
14 ~~workforce development; and~~

15 ~~(B) Information regarding the workforce development~~  
16 ~~programs offered throughout the State, the number~~  
17 ~~of individuals placed in high demand or high~~  
18 ~~growth employment through workforce development~~  
19 ~~programs by departments, the type or category of~~  
20 ~~employment garnered, and allocations of state,~~  
21 ~~federal, and other funding to achieve placements~~  
22 ~~into higher skilled jobs;~~

# S .B. NO. 2891

- 1       ~~(9) Evaluate the state workforce development plan in terms~~  
2           ~~of how its purposes, goals, and objectives have been~~  
3           ~~carried out throughout the State;~~
- 4       ~~(10) Provide technical assistance to local workforce~~  
5           ~~development boards and other similar organizations;~~
- 6       ~~(11) Carry out required functions and duties related to~~  
7           ~~workforce development of any advisory body required or~~  
8           ~~made optional by federal legislation, including the~~  
9           ~~Job Training Partnership Act of 1982, as amended, and~~  
10          ~~the Wagner Peyser Act of 1933, as amended;~~
- 11       ~~(12) In accordance with the federal Workforce Investment~~  
12           ~~Act of 1998, Public Law 105-220, assist the governor~~  
13           ~~in the following functions:~~
- 14           ~~(A) The development of the State's plan for the~~  
15            ~~use of federal workforce investment funds, which~~  
16            ~~is required under Public Law 105-220;~~
- 17           ~~(B) The development and continuous improvement of the~~  
18            ~~statewide and local workforce investment systems~~  
19            ~~described in subtitle B of Public Law 105-220,~~  
20            ~~and the one stop delivery systems described in~~  
21            ~~section 134(c) of Public Law 105-220, including:~~
- 22            ~~(i) The development of linkages referred to in~~

# S. B. NO. 2891

1                   ~~Public Law 105 220, to assure coordination~~  
2                   ~~and non duplication among the programs and~~  
3                   ~~activities in section 121(b) of Public Law~~  
4                   ~~105 220; and~~

5                   ~~(ii) The review of plans prepared by local~~  
6                   ~~workforce investment boards for the use of~~  
7                   ~~federal workforce investment funds which~~  
8                   ~~is required under Public Law 105 220;~~

9                   ~~(C) Commenting at least once annually on the measures~~  
10                   ~~taken pursuant to section 122(e)(16) of the Carl~~  
11                   ~~D. Perkins Vocational and Technical Education~~  
12                   ~~Amendments of 1998, Public Law 105 332;~~

13                   ~~(D) The designation of local areas as required in~~  
14                   ~~section 116 of Public Law 105 220;~~

15                   ~~(E) The development of allocation formulas for the~~  
16                   ~~distribution of funds for adult employment and~~  
17                   ~~training activities and youth activities to local~~  
18                   ~~areas as permitted under sections 128(b)(3)(B)(i)~~  
19                   ~~and 133(b)(3)(B)(i) of Public Law 105 220;~~

20                   ~~(F) The development and continuous improvement of~~  
21                   ~~comprehensive state performance measures,~~  
22                   ~~including state adjusted levels of performance,~~

# S . B . N O . 2 8 9 1

1                   ~~to assess the effectiveness of the workforce~~  
2                   ~~investment activities in the State as required~~  
3                   ~~under section 136(b) (1) of Public Law 105-220;~~  
4                   ~~(G) The preparation of the annual report to the~~  
5                   ~~United States Secretary of Labor described in~~  
6                   ~~section 136(d) (1) of Public Law 105-220;~~  
7                   ~~(H) The development of the statewide employment~~  
8                   ~~statistics system described in section 15(e) of~~  
9                   ~~the Wagner Peyser Act; and~~  
10                  ~~(I) The development of an application for an~~  
11                  ~~incentive grant under section 503 of Public Law~~  
12                  ~~105-220; and~~  
13                  ~~(13) Act as the designated state entity to conduct~~  
14                  ~~activities relating to occupational and employment~~  
15                  ~~information for vocational and technical education~~  
16                  ~~programs in compliance with section 118 of the Carl D.~~  
17                  ~~Perkins Vocational and Technical Education Amendments~~  
18                  ~~of 1998, Public Law 105-332.]~~

19                  The workforce development council shall assist the governor  
20                  in:

# S .B. NO. 2891

- 1        (1) The development, implementation, and modification of  
2        the state plan consistent with P.L. 113-128 (29 U.S.C.  
3        §3112);
- 4        (2) The review of statewide policies, programs, and of  
5        recommendations on actions that should be taken by the  
6        State to align workforce development programs in a  
7        manner that supports a comprehensive and streamlined  
8        workforce development system in the State, including  
9        consideration of programs and activities of one-stop  
10       partners that are not core programs;
- 11       (3) The development and continuous improvement of the  
12       workforce development system in the State as provided  
13       in P.L. 113-128 (29 U.S.C. §3111(d)(2)(3));
- 14       (4) The development and updating of comprehensive state  
15       performance accountability measures, including state  
16       adjusted levels of performance, to assess the  
17       effectiveness of the core programs in the State as  
18       required under P.L. 113-128 (29 U.S.C. §3141(b));
- 19       (5) The identification and dissemination of information on  
20       best practices for the effective operation of one-stop  
21       centers, the development of effective local boards and

# S. B. NO. 2891

1 effective training programs, as provided in P.L. 113-  
2 128 (29 U.S.C. §3111(d)(5));

3 (6) The development and review of statewide policies  
4 affecting the coordinated provision of services  
5 through the State's one-stop delivery system as  
6 provided in P.L. 113-128 (29 U.S.C. §3141(b));

7 (7) The development of strategies for technological  
8 improvements to facilitate access to, and improve the  
9 quality of, services and activities provided through  
10 the one-stop delivery system as provided in P.L. 113-  
11 128 (29 U.S.C. §3111(d)(7));

12 (8) The development of strategies for aligning technology  
13 and data systems across one-stop partner programs to  
14 enhance service delivery and improve efficiencies in  
15 reporting on performance accountability measures,  
16 including the design and implementation of common  
17 intake, data collection, case management information,  
18 and performance accountability measurement and  
19 reporting processes and the incorporation of local  
20 input into such design and implementation, to improve  
21 coordination of services across one-stop partner  
22 programs;

# S.B. NO. 2891

- 1        (9) The development of allocation formulas for the  
2        distribution of funds for employment and training  
3        activities for adults, and youth workforce investment  
4        activities, to local areas as permitted under P.L.  
5        113-128 (29 U.S.C. §3163(b)(3)) and 29 U.S.C. §3173  
6        (b)(3);
- 7        (10) The preparation of annual reports as described in P.L.  
8        113-128 (29 U.S.C. §3141(d));
- 9        (11) The development of the statewide workforce and labor  
10       market information system described in the Wagner-  
11       Peyser Act (29 U.S.C. §491-2(e));
- 12       (12) The development of such other policies as may promote  
13       statewide objectives for, and enhance the performance  
14       of, the workforce development system;
- 15       (13) Create public awareness and understanding of  
16       the State's workforce development plans, policies,  
17       programs, and activities, and promoting them as  
18       economic investments;
- 19       (14) Submit annual reports of its activities and  
20       recommendations to the governor and the legislature,  
21       and post the annual reports electronically on the  
22       council's website no later than twenty days before the

# S .B. NO. 2891

1 convening of each regular session. Annual reports  
2 shall include:

3 (A) The status of the comprehensive state plan for  
4 workforce development; and

5 (B) Information regarding the workforce development  
6 programs offered throughout the State, the number  
7 of individuals placed in high-demand or high-  
8 growth employment through workforce development  
9 programs by departments, the type or category of  
10 employment garnered, and allocations of state,  
11 federal, and other funding to achieve placements  
12 into higher-skilled jobs;

13 (15) Evaluate the state workforce development plan in  
14 terms of how its purposes, goals, and objectives have  
15 been carried out throughout the State;

16 (16) Provide technical assistance to local workforce  
17 development boards and other similar organizations;

18 (17) Carry out required functions and duties related to  
19 workforce development of any advisory body required or  
20 made optional by federal legislation;

21 (18) The review and certification of local workforce boards



# S.B. NO. 2891

1           and plans prepared by local workforce boards for the  
2           use of federal workforce development funds as provided  
3           in P.L. 113-128 (29 U.S.C. §3122(b) and 29 U.S.C.  
4           §3122(c)); and  
5       (19) Commenting on the measures taken pursuant to section  
6           122(c)(17) of the Carl D. Perkins Career and Technical  
7           Education Act of 2006, P.L. 109-270."

8           SECTION 4. Section 202-4, Hawaii Revised Statutes, is  
9 amended as follows:

10           "§202-4 Duties of chairperson and executive director. The  
11 chairperson of the workforce development council or the  
12 executive director, at the direction of the council shall:

- 13           (1) Serve as consultant to the governor on issues relating  
14           to workforce development and its relation to economic  
15           development and diversification;  
16           (2) Assist in coordinating the programs of all agencies  
17           dealing with issues of concern to the council;  
18           (3) Arrange for statewide studies of the issues referred  
19           to in this chapter;  
20           (4) Secure data and information from agencies concerned  
21           with the issues referred to in this chapter;



# S.B. NO. 2891

**Report Title:**

Workforce Development Council; Composition; Duties

**Description:**

Conforms the State Workforce Development Council Law to new federal requirements in the Workforce Innovation and Opportunity Act of 2014 (WIOA), Public Law 113-128, which supersedes the Workforce Investment Act of 1998 (WIA).

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

## JUSTIFICATION SHEET

DEPARTMENT: Labor and Industrial Relations

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII WORKFORCE DEVELOPMENT COUNCIL.

PURPOSE: To conform chapter 202, Hawaii Revised Statutes (HRS), to the federal Workforce Innovation and Opportunity Act of 2014, effective July 1, 2015.

MEANS: Amend sections 202-1, 202-2 and 202-4, HRS.

JUSTIFICATION: Chapter 202, HRS, establishes the workforce development council to fulfill the functions of the workforce development board for purposes of the federal Workforce Investment Act of 1998, Public Law No. 105-220 (WIA). The federal Workforce Innovation and Opportunity Act of 2014, Public Law No. 113-128 (WIOA), effective July 1, 2015, supersedes the WIA and sets forth different council composition requirements, different state workforce development system plan specifications, and different council functions than the WIA.

The proposal conforms chapter 202, HRS, to WIOA council composition requirements, state workforce development plan specifications and council function requirements to qualify for continued receipt of federal funds. The state receives approximately \$6,000,000 per year from the federal government to invest in state workforce development, which could be endangered if the conforming amendments are not made.

Impact on the public: Receipt of \$6,000,000 per year of federal workforce funding for Hawaii is dependent on conforming chapter 202, HRS, to WIOA. This assures federal funds are invested in Hawaii for a stronger, streamlined, more accountable one-stop work

**SB. NO. 2891**

force development system, which benefits job seekers, employers, and Hawaii's economy.

Impact on the department and other agencies:

The WIOA requires the partners' participation in plan modification. Partners responsible for core employment services, training, and education programs include the Departments of Labor and Industrial Relations, Education, Human Services, Business, Economic Development and Tourism; the University of Hawaii, and county workforce boards. Plan changes required by the WIOA are intended to increase coordination, remove silos, improve service delivery, and produce cost efficiencies for the WIOA core and strategic partners.

GENERAL FUND: None.

OTHER FUNDS: Federal funds.

PPBS PROGRAM DESIGNATION: LBR135.

OTHER AFFECTED AGENCIES: Department of Education  
Department of Human Services  
Department of Business, Economic Development and Tourism  
University of Hawaii System

EFFECTIVE DATE: Upon approval.