



**STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 15, 2016

To: The Honorable Gilbert S.C. Keith-Agaran, Chair,  
The Honorable Maile S.L. Shimabukuro, Vice Chair, and  
Members of the Senate Committee on Judiciary and Labor

Date: Tuesday, February 16, 2016  
Time: 9:00 a.m.  
Place: Conference Room 016, State Capitol

From: Linda Chu Takayama, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: S.B. No. 2527 Relating to Workforce Development**

**I. OVERVIEW OF PROPOSED LEGISLATION**

SB 2527 proposes to establish a competitive workforce development grant program, industry-led and regional in focus, known as the Hawaii Employment Advancement Right Now, or EARN Hawaii. Using strategic industry partnerships, EARN Hawaii will address business demands by focusing on workforce needs of specific industry sectors, creating career paths, and providing career readiness training for hard-to-serve populations.

The bill will amend Hawaii Revised Statutes (HRS) by adding a new chapter to implement EARN that includes a requirement for DLIR to establish rules for EARN and for DLIR to administer EARN in consultation with the Department of Business, Economic Development & Tourism (DBEDT).

The bill specifies the following:

- A. DLIR, in consultation with DBEDT, shall provide grants competitively for:
- Strategic industry partnerships;
  - Workforce training program providing industry valued skills training; and
  - Job readiness training.

- B. DLIR, in consultation with the Department of Budget & Finance (B&F), shall develop and implement a strategy to identify positions in State government in need of skilled employees and mechanisms to provide incumbent state employees with access to skill training.
- C. DLIR, in consultation with DBEDT, the Department of Education (DOE), and the Office of Enterprise Technology Services (ETS), shall develop a website promoting training available in the state, including those in the EARN Hawaii program.
- D. DLIR shall convene a working group of stakeholders including employers, nonprofits, workforce training entities, higher education, community colleges and local investment boards to advise on the development and implementation of the grant program outlined in section 2 of the proposal.
- E. DLIR shall provide to individuals receiving or applying for unemployment benefits information on EARN.
- F. Funds will be appropriated out of general revenues for EARN and expended by DLIR.

DLIR supports the intent of this bill and offers comments—the department is supportive, provided the measure’s passage does not replace or adversely affect priorities identified in the Governor’s Supplemental Budget request.

## **II. CURRENT LAWS**

The U.S. DOL has allocated about \$6,000,000 in federal formula funds to Hawaii this year under the Workforce Innovation and Opportunity Act (WIOA). The WIOA, Public Law 113-128, enacted on July 22, 2014, requires the establishment of business-driven sector partnerships and workforce development strategies that include the development of job skills in demand to meet industry needs. Target groups include the harder-to-serve populations such as offenders and persons with disabilities.

WIOA also requires a change in composition of the local workforce development board in each county, most notably prescribing that a majority consists of local business leaders in sectors that are growing or in demand. Other members include nonprofit organizations, the Department of Education (DOE), higher education, and government officials.

These local workforce boards make decisions and policies governing the use of WIOA funds for their area. The boards are responsible to develop local sector strategies and career pathways. The Workforce Development Council (WDC), a State board, carries out similar functions from a statewide perspective.

WDC is collaborating with DLIR, DOE Adult Education, and the Department of Human Services (DHS) Division of Vocational Rehabilitation, to develop a Unified Plan that describes strategies and partnerships to meet business workforce needs. Each county also will be required to develop a local plan describing their local goals and strategies.

### **III. COMMENTS ON THE SENATE BILL**

Although WIOA funds support some activities similar to those described in this bill, non-federal funds are increasingly important because they demonstrate State support for workforce development and allow for more innovation in assisting businesses. Federal requests for proposals usually recommend or require more coordination of leveraged (non-federal) resources to provide wrap-around services resulting in greater impact and effectiveness.

The department defers to the Department of Human Resources Development on the proposed "State employment advancement strategy" to identify skill shortages among state personnel and to provide access to training (Page 8-9, lines 18-9)

DLIR supports the intent of this bill, provided the measure's passage does not replace or adversely affect priorities identified in the Governor's Supplemental Budget request.

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 14, 2016 11:05 AM  
**To:** JDLTestimony  
**Cc:**  
**Subject:** \*Submitted testimony for SB2527 on Feb 16, 2016 09:00AM\*

**SB2527**

Submitted on: 2/14/2016

Testimony for JDL on Feb 16, 2016 09:00AM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Troy Abraham	Individual	Support	No

Comments:

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