

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

LEONARD HOSHIO
DEPUTY DIRECTOR

DEPT. COMM. NO. 264

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
830 PUNCHBOWL STREET, ROOM 321
HONOLULU, HAWAII 96813

www.labor.hawaii.gov
Phone: (808) 586-8844 / Fax: (808) 586-9099
Email: dliir.director@hawaii.gov

January 20, 2017

The Honorable Ronald D Kouchi,
President and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, HI 96813

The Honorable Joseph M. Souki, Speaker
and Members of the House of
Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, HI 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

For your information and consideration, I am transmitting two (2) copies of the Workforce Development Council Annual Report for the fiscal year ending June 30, 2016, as required by Section HRS 202-2 (8), Hawai'i Revised Statutes (HRS).

.In accordance with Section 93-16, HRS, I am also informing you that the report may be viewed electronically at <http://labor.hawaii.gov/find-a-report/>.

Sincerely,

Linda Chu Takayama
Director

FY 2015- 2016 Workforce Development Council Annual Report
Department of Labor and Industrial Relations
July 1, 2015 – June 30, 2016

The Workforce Development Council (WDC) is administratively attached to the Department of Labor and Industrial Relations (DLIR), and consistent with federal and state law, assists the Governor with development and modification of the Hawaii unified workforce development system plan and administrative oversight responsibilities. WDC is the Governor designated administrative entity to implement the Workforce Innovation and Opportunity Act (WIOA) of 2014. Federal formula funding for WDC and the department's workforce development programs and services is directly tied to the unemployment rate. Our unemployment rate is fifth lowest in the country, however, the Hawaii workforce development system must provide extensive services and programs to employers competing in the market economy, career/job seekers new to the workforce, those wanting career advancement for a living wage, those facing multiple-challenges to entering the workforce and those who have depleted their allotted unemployment benefits and are still seeking employment.

Transition to the Workforce Innovation and Opportunity Act (WIOA)

WIOA replaced the Workforce Investment Act (WIA) of 1998 and retained and amended the Adult Education and Family Literacy Act, the Wagner-Peyser Act, and the Rehabilitation Act of 1973. As the first legislative reform of the public workforce system in more than 15 years, WIOA authorized the one-stop career center (also known as American Job Center) service delivery system and brought together the following six core programs of federal investment in skill development:

- WIOA Title I (Adult, Dislocated Worker and Youth formula programs) administered by Department of Labor (DOL);
- Adult Education and Literacy Act Title II programs administered by the Department of Education (DoED);
- Wagner-Peyser Act Title III employment services administered by DOL; and
- Rehabilitation Act Title I programs administered by DoED and DHS under Title IV.

WIOA also authorized programs for specific vulnerable populations, including the Job Corps, YouthBuild, Indian and Native Americans, and Migrant and Seasonal Farmworker programs, as well as evaluation and multistate projects administered by DOL.

Vision of Hawaii's Unified State Plan

All employers have competitively-skilled employees, and all residents have sustainable employment and self-sufficiency.

Five Goals for Hawaii's Workforce System

1. To provide coordinated, aligned employment services.
2. To prioritize services to vulnerable populations with barriers to employment as described under WIOA, including homeless individuals and Native Hawaiians which are currently of concern in the State.

3. To develop sector strategies and a career pathways system that will integrate education and training, and move skilled job seekers into growth industries.
4. To augment a high employment rate.
5. To fully engage employers in the workforce development system to address the talent shortage.

Hawaii's American Job Center System

American Job Centers (AJCs) in all four counties provide services to local businesses, and employed and unemployed job seekers. County governments, took the lead with organizing service providers in delivering various employment and training services to customers. Each of the four local areas maintains commitments and partnerships with many businesses, academic partners, and state and local government officials. The Local Workforce Development Boards, with support from local elected officials and state and local partners oversees WIOA programs and services.

FY16 WIOA Participation Summary

Hawaii's WIOA program served eligible adults, dislocated workers, and youth (ages 14-24) through its AJC network. Center resources were used to help unemployed and underemployed workers learn new skills and acquire employment. Within the AJCs the WIOA programs provided comprehensive skills assessments, counseling and career planning, basic skills and occupational training, access to labor market information, job search and placement assistance to increase employment, employment retention and earnings of participants.

Largely due to a declining unemployment rate and revived economy, during FY 15 (July 1, 2014 through June 30, 2015), Hawaii received a total of \$6,040,165 for the federal adult, dislocated worker and youth programs which was a decrease of \$1,066,699 from the previous year's allotment.

- In FY 15, 1,088 Hawaii residents received WIOA-funded services, an enrollment decrease of 325 or -23% from the previous year.
 - For all programs, the ongoing decline in the unemployment rate has resulted in enrollment of individuals requiring more assistance and services. In addition, adjustments to new contracting requirements for adult-dislocated worker service providers also contributed to the reduction in the numbers served.
 - Hawaii enrolled 290 adults, 318 dislocated workers, and 480 youth in WIOA services.
 - The adult program served 26.65% of participants.
 - The 290 participants served in the adult program are 240 fewer or a 64% decrease from the previous year.
 - The dislocated worker program experienced a decrease of 140 participants or -31% from FY15.
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- In FY 16, youth had the highest number of participants served, 480, an increase of 55 participants (13%) over the previous year.
 - Hawaii served 380 (79.17%) out-of-school and 100 (20.83%) in-school youth.
 - The growth in the number served correlates to a combination of an increase in total allocations with higher costs per participant.

Legislation

During the 2016 Legislature, the House and Senate passed House Bill 2362 to conform WDC to the new federal WIOA law and increase the board from 31 to 41 members. The Governor signed the bill into law as Act 57 on June 6, 2016.

The Workforce Development Council Members

PRIVATE SECTOR

1. Leslie Wilkins, Chair, Workforce Development Council & Maui County Workforce Development Board, Vice President, Maui Economic Development Board, Inc.
2. Alan Hayashi, Vice Chair, Workforce Development Council & Owner/Principal, Consult 808
3. David DeLuz, Jr., Chair, Hawaii County Workforce Development Board, Vice President, Big Island Toyota
4. Leialoha Sanchez, Chair, Kauai County Workforce Development Board, Youth Service/Prevention Ed Coordinator, YWCA
5. James Tollefson, Chair, Oahu Workforce Development Board
6. Carl Hinson, Director of Workforce Development, Hawaii Pacific Health
7. Brian Tatsumura, Store Manager, Nordstrom
8. Sunshine Topping, Vice President of Human Resources, Hawaiian Telcom
9. Sheryl Nojima, President of Gray, Hong, Nojima, and Associates
10. Sean Knox, President, Hawaii Employment Services, Inc.
11. Beth Whitehead, Executive Vice President & Chief Administrative Officer, American Savings Bank
12. Barry Taniguchi, Chairman and Chief Financial Officer, KTA Super Stores
13. Ian Kitajima, Director of Corporate Development, Oceanit
14. Alicia Moy, President, Hawaii Gas Co.
15. Glen Kaneshige, President, Nordic PCL Construction, Inc.
16. Edward Richardson, Owner, Edward V. Richardson, LLC
17. Evelyn Barfield, Human Resources Business Partner, Meadow Gold Dairies
18. Shannon Okinaka, Executive Vice President & Chief Financial Officer, Hawaiian Airlines

LABOR AND WORKFORCE TRAINING ORGANIZATIONS

19. Richard Vieira, Director of Training, District Council 50 – International Union of Painters & Allied Trades
20. Winona Whitman, Statewide Director of Employment & Training, Alu Like, Inc.
21. Charles “Chuck” Shima, Training Coordinator, Plumbers Union Local 675
22. Connie Mitchell, Executive Director, The Institute for Human Services
23. Marian Tsuji, President and CEO, Lanakila Pacific
24. Glenn Alcalde, Training Coordinator, Hawaii Carpenters Apprenticeship and Training Fund
25. Joanne Kealoha, Social Services Coordinator, ILWU, Local 142

PUBLIC SECTOR

26. David Ige, Governor, State of Hawaii
27. Alan Arakawa, Mayor, County of Maui
28. Bernard Carvalho, Jr., Mayor, County of Kauai
29. Kirk Caldwell, Mayor, City and County of Honolulu
30. William Kenoi, Mayor, County of Hawaii
31. Gilbert Keith-Agaran, Hawaii State Senator
32. David Lassner, President, University of Hawaii System
33. Kathryn Matayoshi, Superintendent, Department of Education
34. Mark Nakashima, Hawaii State Representative
35. Luis Salaveria, Director, Department of Business, Economic Development, & Tourism
36. Linda Chu Takayama, Director, Department of Labor & Industrial Relations
37. Pankaj Bhanot, Director, Department of Human Services

PENDING GOVERNOR APPOINTMENT

38. Edward Yamamura, Franchise Owner, McDonald's
39. Shin Ho, General Manager, Ho Farms
40. Jason Ito, Director of Administration, Labor and Community Relations, Kyo-Ya Management Co., Ltd.
41. Vacant

Workforce Development Council Staff

Allicyn Tasaka, Executive Director
Jeanne Ohta, Assistant to the Executive Director
Linda Sakamoto, Program Specialist
Dastin Hernandez, Employment Analyst
Kim Saito, Accountant Supervisor
Lina Rivera, Accountant

The WDC wishes to acknowledge volunteers who assist staff weekly:

Rae Ordinado
Doris Shiraishi
Jayson Muraki