

STAND. COM. REP. NO. **2528**

Honolulu, Hawaii

FEB 18 2022

RE: S.B. No. 3127
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Labor, Culture and the Arts, to which was referred S.B. No. 3127 entitled:

"A BILL FOR AN ACT RELATING TO WORKFORCE DEVELOPMENT BOARDS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Rename the Workforce Development Council, which served as the State Workforce Development Board for purposes of the federal Workforce Innovation and Opportunity Act of 2014, as the Hawaii Workforce Development Board and transfer appropriations, positions, rights and obligations of former to the latter; and
- (2) Require the Hawaii Workforce Development Board and local workforce development boards to develop written conflict of interest policies consistent with the federal Workforce Innovation and Opportunity Act of 2014 and chapter 84, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and Hawaii State Ethics Commission.

Your Committee finds that Act 88, Sessions Laws of Hawaii 2021, also known as the General Appropriations Act of 2021,



eliminated the program identification number for the Workforce Development Council (LBR135) and transferred its appropriations and positions to the Department of Labor and Industrial Relations' Workforce Development Division. This measure amends chapter 202, Hawaii Revised Statutes, which governs the Workforce Development Council, in conformance to the new appropriation structure set forth in the General Appropriations Act of 2021.

Your Committee notes that this measure transfers the authority to appoint the Executive Director of the Board from the Board to the Governor without allowing input from Board. Your Committee also notes that the Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. sections 3111(f) and 3122(h)), prohibits members of the state workforce development board and local workforce development boards from engaging in activities determined by the Governor to constitute a conflict of interest.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Governor to appoint an Executive Director of the Hawaii Workforce Development Board from a list of three nominees submitted by the Board;
- (2) Clarifying that members of the Hawaii Workforce Development Board and local workforce development boards are prohibited from engaging in any activity determined by the Governor to constitute a conflict of interest as provided in the federal Workforce Innovation and Opportunity Act of 2014 or chapter 84, Hawaii Revised Statutes, rather than requiring the boards to develop written conflict of interest policies; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3127, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Labor, Culture and
the Arts,



BRIAN T. TANIGUCHI, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Labor, Culture and the Arts
LCA

Bill / Resolution No.:* SB 3127	Committee Referral: LCA, JDC/WAM	Date: 1-31-22
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IHARA, Jr., Les (VC)	✓			
CHANG, Stanley	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes