
A BILL FOR AN ACT

RELATING TO WORKFORCE DEVELOPMENT.

1 SECTION 1. The legislature finds that state workforce
2 development boards assist governors by reviewing statewide
3 policies and programs and making recommendations to align
4 workforce, education, training, and employment programs in a
5 manner that supports a comprehensive and coordinated workforce
6 development system. As part of the statewide review function in
7 assisting the governors, the federal Workforce Innovation and
8 Opportunity Act and related regulations outline requirements
9 regarding conflicts of interest for recipients and subrecipients
10 of federal awards as well as for state and local workforce
11 development boards and standing committee members.

12 The legislature further finds that Act 88, Session Laws of
13 Hawaii 2021, also known as the General Appropriations Act of
14 2021, eliminated the program identification number for the
15 Hawaii workforce development council and transferred its
16 appropriation and positions to the workforce development
17 division of the department of labor and industrial relations.



1 The legislature also finds that reports on the activities
2 of the K-12 agriculture workforce development pipeline
3 initiative are no longer needed and that the requirement should
4 be repealed from section 371-21, Hawaii Revised Statutes.

5 The purpose of this Act is to:

6 (1) Rename the "Hawaii workforce development council" to
7 the "Hawaii workforce development board";

8 (2) Clarify that the workforce development board is
9 administratively attached to the department of
10 business, economic development, and tourism and as
11 such, its program identification number,
12 appropriations, and positions are to be transferred
13 from the workforce development division; and

14 (3) Conform the state workforce development board statute
15 to the nomenclature and conflict of interest
16 provisions found in the federal Workforce Innovation
17 and Opportunity Act and related regulations in the
18 Code of Federal Regulations.

19 SECTION 2. Chapter 202, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:



1 "§202- Conflict of interest. (a) The workforce
 2 development board and local workforce development boards shall
 3 develop written conflict of interest policies consistent with
 4 the federal Workforce Innovation and Opportunity Act of 2014,
 5 P.L. 113-128 (29 U.S.C. 3111(f) and 3122(h)), title 2 Code of
 6 Federal Regulations parts 200 and 2900, title 20 Code of Federal
 7 Regulations parts 679 and 683, and title 29 Code of Federal
 8 Regulations section 97.36, as amended, and chapter 84.

9 (b) Separate from and in addition to any standards of
 10 conduct set forth in chapter 84, a member or standing committee
 11 member of the workforce development board or a member or
 12 standing committee member of a local workforce development board
 13 shall not:

14 (1) Vote on or participate in a discussion about a matter
 15 under consideration by the board or standing
 16 committee:

17 (A) Regarding the provision of services by the
 18 member, or by an entity the member represents; or

19 (B) That would provide direct financial benefit to
 20 the member or the member's immediate family; or



1 (2) Engage in any other activity determined by the
2 governor to constitute a conflict of interest under
3 the federal Workforce Innovation and Opportunity Act
4 of 2014, P.L. 113-128 (29 U.S.C. 3111(f) and 3122(h)),
5 title 2 Code of Federal Regulations parts 200 and
6 2900, title 20 Code of Federal Regulations parts 679
7 and 683, and title 29 Code of Federal Regulations
8 section 97.36, as amended."

9 SECTION 3. Section 202-1, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§202-1** [~~Council~~] **Hawaii workforce development board;**
12 **appointment; tenure.** [+(a)+] The advisory commission on
13 employment and human resources is hereby constituted as the
14 workforce development [~~council~~] board. The [~~council~~] board
15 shall be placed within the department of business, economic
16 development, and tourism for administrative purposes and shall
17 [also] fulfill the functions of the state workforce development
18 board for purposes of the federal Workforce Innovation and
19 Opportunity Act of 2014, P.L. No. 113-128[~~-~~] (29 U.S.C. 3101 et
20 seq.).



1 (b) Except for the ex officio members or their designees,
2 the [~~council~~] board members shall be appointed by the governor
3 for four-year staggered terms as provided for in section 26-34.
4 The governor shall appoint the chairperson of the [~~council~~]
5 board from among the business representative members of the
6 board. The [~~council~~] board shall be constituted as provided by
7 the federal Workforce Innovation and Opportunity Act of 2014,
8 P.L. 113-128 (29 U.S.C. 3111), of the following members:

- 9 (1) The directors of labor and industrial relations and
10 business, economic development, and tourism; the
11 superintendent of education; and the president of the
12 [~~University~~] university of Hawaii or their designees,
13 as ex officio, voting members;
- 14 (2) The administrator of the division of vocational
15 rehabilitation, department of human services, as an ex
16 officio, voting member;
- 17 (3) The private sector chairpersons of the four [~~county~~]
18 local workforce development boards, or their designees
19 from the private sector membership of their respective
20 boards, as ex officio, voting members;



- 1 (4) Seventeen representatives from the private sector,
2 including nonprofit organizations and businesses in
3 the State, appointed from individuals nominated by
4 state business organizations and business trade
5 associations;
- 6 (5) Eight representatives from labor organizations and
7 workforce training organizations, two or more of whom
8 shall be representatives of labor organizations who
9 have been nominated by state labor federations, and
10 one of whom shall be a labor representative from a
11 community-based native Hawaiian organization that
12 operates workforce development programs;
- 13 (6) A member of each house of the legislature, for two-
14 year terms beginning in January of odd-numbered years,
15 appointed by the appropriate presiding officer of each
16 house, as ex officio, voting members;
- 17 (7) The four mayors or their designees, as ex officio,
18 voting members; and
- 19 (8) The governor or the governor's designee.



1 [+] (c) [~~+] Council]~~ Board members shall serve without
2 compensation but shall be reimbursed for travel expenses
3 necessary for the performance of their duties.

4 [+] (d) [+] From June 6, 2016, and until such time that the
5 [~~council]~~ board has forty-one members, sixteen [~~council]~~ board
6 members shall constitute a quorum to do business, and the
7 concurrence of at least sixteen [~~council]~~ board members shall be
8 necessary to make any action of the [~~council]~~ board valid.

9 [+] (e) [+] All [~~council]~~ board members may continue to
10 serve on the [~~council]~~ board until their respective successors
11 have been appointed. A person appointed to fill a vacancy shall
12 serve the remainder of the term of the person's predecessor."

13 SECTION 4. Section 202-2, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§202-2 Duties of [~~council]~~ board.** In accordance with
16 P.L. 113-128 (29 U.S.C. section 3111), the workforce development
17 [~~council]~~ board shall assist the governor in:

- 18 (1) The development, implementation, and modification of
19 the state plan consistent with the federal Workforce
20 Innovation and Opportunity Act of 2014, P.L. 113-128
21 (29 U.S.C. section 3112);



- 1 (2) The review of statewide policies, statewide programs,
2 and recommendations on actions that should be taken by
3 the State to align workforce development programs in a
4 manner that supports a comprehensive and streamlined
5 workforce development system in the State, including
6 consideration of programs and activities of one-stop
7 partners that are not core programs;
- 8 (3) Coordination of the local workforce development boards
9 to maximize and continue to improve the quality of
10 services and develop a comprehensive and high-quality
11 workforce development system;
- 12 ~~(3)~~ (4) The development and continuous improvement of the
13 workforce development system in the State;
- 14 ~~(4)~~ (5) The development and updating of comprehensive
15 state performance accountability measures, including
16 state adjusted levels of performance, to assess the
17 effectiveness of the core programs in the State as
18 required under the federal Workforce Innovation and
19 Opportunity Act of 2014, P.L. 113-128 (29 U.S.C.
20 section 3141(b));



1 [~~5~~] (6) The identification and dissemination of
2 information on best practices for the effective
3 operation of one-stop centers, and the development of
4 effective local boards and effective training
5 programs;

6 [~~6~~] (7) The development and review of statewide policies
7 affecting the coordinated provision of services
8 through the State's one-stop delivery system;

9 [~~7~~] (8) The development of strategies for technological
10 improvements to facilitate access to, and improve the
11 quality of, services and activities provided through
12 the one-stop delivery system;

13 [~~8~~] (9) The development of strategies for aligning
14 technology and data systems across one-stop partner
15 programs to enhance service delivery and improve
16 efficiencies in reporting on performance
17 accountability measures, including the design and
18 implementation of common intake, data collection, case
19 management information, and performance accountability
20 measurement and reporting processes, and the
21 incorporation of local input into the design and



1 implementation, to improve coordination of services
2 across one-stop partner programs;

3 ~~[(9)]~~ (10) The development of allocation formulas for the
4 distribution of funds for employment and training
5 activities for adults, and youth workforce investment
6 activities, to local areas as permitted under the
7 federal Workforce Innovation and Opportunity Act of
8 2014, P.L. 113-128 (29 U.S.C. sections 3163(b) (3),
9 3173(b) (3));

10 ~~[(10)]~~ (11) The preparation of annual reports as described
11 in the federal Workforce Innovation and Opportunity
12 Act of 2014, P.L. 113-128 (29 U.S.C. section 3141(d));

13 ~~[(11)]~~ (12) The development of the statewide workforce and
14 labor market information system described in the
15 Wagner-Peyser Act (29 U.S.C. section 491-2(e));

16 ~~[(12)]~~ (13) The development of other policies as may promote
17 statewide objectives for, and enhance the performance
18 of, the workforce development system;

19 ~~[(13)]~~ (14) Creating public awareness and understanding of
20 the State's workforce development plans, policies,
21 programs, and activities, and promoting the plans,



1 policies, programs, and activities as economic
2 investments;

3 ~~[(14)]~~ (15) Submitting annual reports of the ~~[council's]~~
4 board's activities and recommendations to the governor
5 and the legislature, and posting the annual reports
6 electronically on the ~~[council's]~~ board's website no
7 later than twenty days before the convening of each
8 regular session. Annual reports shall include:

9 (A) The status of the comprehensive state plan for
10 workforce development; and

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

19 ~~[(15)]~~ (16) Evaluating the state workforce development plan
20 in terms of how its purposes, goals, and objectives
21 have been carried out throughout the State;



- 1 [~~(16)~~] (17) Providing technical assistance to local
- 2 workforce development boards and other similar
- 3 organizations;
- 4 [~~(17)~~] (18) Carrying out required functions and duties
- 5 related to workforce development of any advisory body
- 6 required or made optional by federal legislation;
- 7 [~~(18)~~] (19) The review and certification of local workforce
- 8 development boards and plans prepared by local
- 9 workforce development boards for the use of federal
- 10 workforce development funds as provided in the federal
- 11 Workforce Innovation and Opportunity Act of 2014, P.L.
- 12 113-128 (29 U.S.C. section 3122(b)-(c)); and
- 13 [~~(19)~~] (20) Commenting on the measures taken pursuant to
- 14 section 122(c)(17) of the Carl D. Perkins Career and
- 15 Technical Education Act of 2006, P.L. 109-270."

16 SECTION 5. Section 202-3, Hawaii Revised Statutes, is

17 amended to read as follows:

18 "**§202-3 Powers of [~~ecouncil~~] board.** (a) The workforce

19 development [~~ecouncil~~] board shall appoint and fix the

20 compensation of an executive director, who shall be exempt from



1 chapter 76 [~~and may employ any other personnel as it deems~~
2 ~~advisable within chapter 76~~].

3 (b) The [~~council~~] board, or on the authorization of the
4 [~~council~~] board, any subcommittee or panel thereof, may, for
5 the purpose of carrying out its functions and duties, hold such
6 hearings and sit and act at such times and places as the
7 [~~council~~] board may deem advisable.

8 (c) The [~~council~~] board may negotiate and enter into
9 contracts with public agencies or private organizations to carry
10 out its studies and to prepare reports that the [~~council~~] board
11 determines to be necessary to the fulfillment of its duties.

12 (d) The [~~council~~] board may secure through the governor's
13 office, any information from any executive department, agency,
14 or independent instrumentality of the State it deems necessary
15 to carry out its functions.

16 (e) The [~~council~~] board may convene [~~such~~] public
17 conferences and forums as it deems useful to keep the public
18 informed of workforce development needs, developments, and
19 initiatives.

20 (f) The [~~council~~] board may administer funds allocated for
21 its work and may accept, disburse, and allocate funds which may



1 become available from other governmental [~~and private~~] sources;
 2 provided that all the funds shall be disbursed or allocated in
 3 compliance with the objectives set forth herein, and applicable
 4 laws[~~;~~]; provided that, notwithstanding section 26-35(a)(8), the
 5 director of business, economic development, and tourism shall
 6 review and approve all disbursements and allocations to ensure
 7 conformance with chapters 103D and 103F and title 2 Code of
 8 Federal Regulations parts 200 and 2900, title 29 Code of Federal
 9 Regulations section 97.36, and title 20 Code of Federal
 10 Regulations parts 679 and 683."

11 SECTION 6. Section 371-21, Hawaii Revised Statutes, is
 12 amended to read as follows:

13 "[~~+~~]**\$371-21[~~+~~]** **K-12 agriculture workforce development**
 14 **pipeline initiative.** (a) There shall be created in the
 15 department a [~~k-12~~] K-12 agriculture workforce development
 16 pipeline initiative to conduct training sessions for teachers
 17 and school administrators on the islands of Oahu, Hawaii, Maui,
 18 Molokai, Lanai, and Kauai[~~;~~] regarding agricultural self-
 19 sufficiency.

20 (b) The [~~k-12~~] K-12 agriculture workforce development
 21 pipeline initiative shall be headed by a coordinator who shall



1 be appointed by the director, subject to chapter 76, to carry
2 out the purposes of this section, which may include developing
3 and proposing scholarships, travel offsets, course credits, and
4 stipends. The coordinator may hire, subject to chapter 76,
5 necessary staff, including a workforce development specialist,
6 to carry out the purposes of this section.

7 (c) Course material for the training sessions under
8 subsection (a) shall be approved by the Hawaii agriculture
9 workforce advisory board established pursuant to section 371-19.

10 ~~[(d) The department shall submit annual reports to the
11 legislature on the activities of the k-12 agriculture workforce
12 development pipeline initiative.]"~~

13 SECTION 7. The program identification number and positions
14 for the Hawaii workforce development council that were
15 transferred to the workforce development division of the
16 department of labor and industrial relations by Act 88, Session
17 Laws of Hawaii 2021, shall be restored and transferred to the
18 Hawaii workforce development board.

19 SECTION 8. Sections 201-16, 202-4, 202-5, 202-10, 304A-
20 303, 304A-1143, 304A-3252, 348-8, 373C-23, and 394-5, Hawaii
21 Revised Statutes, are amended by substituting the words



1 "workforce development board" wherever the words "workforce
2 development council" appear, as the context requires.

3 SECTION 9. Section 202-4, Hawaii Revised Statutes, is
4 amended by substituting the word "board" wherever the word
5 "council" appears, as the context requires.

6 SECTION 10. All rules, policies, procedures, guidelines,
7 and other material adopted or developed by the workforce
8 development council to implement provisions of the Hawaii
9 Revised Statutes that are reenacted or made applicable to the
10 department of business, economic development, and tourism by
11 this Act shall remain in full force and effect until amended or
12 repealed by the department of business, economic development,
13 and tourism pursuant to chapter 91, Hawaii Revised Statutes, as
14 appropriate. In the interim, every reference to the workforce
15 development council in those rules, policies, procedures,
16 guidelines, and other material shall be amended to refer to the
17 department of business, economic development, and tourism, as
18 appropriate.

19 SECTION 11. All deeds, leases, contracts, loans,
20 agreements, permits, or other documents executed or entered into
21 by or on behalf of the workforce development council, pursuant



1 to the provisions of the Hawaii Revised Statutes, that are
2 reenacted or made applicable to the department of business,
3 economic development, and tourism by this Act shall remain in
4 full force and effect. Upon the effective date of this Act,
5 every reference to the workforce development council or the
6 executive director of the workforce development council in those
7 deeds, leases, contracts, loans, agreements, permits, or other
8 documents shall be construed as a reference to the department of
9 business, economic development, and tourism, as appropriate.

10 SECTION 12. In accordance with section 9 of article VII of
11 the Hawaii State Constitution and sections 37-91 and 37-93,
12 Hawaii Revised Statutes, the legislature has determined that the
13 appropriations contained in Act 164, Regular Session of 2023,
14 and this Act will cause the state general fund expenditure
15 ceiling for fiscal year 2024-2025 to be exceeded by
16 \$ or per cent. This current declaration takes
17 into account general fund appropriations authorized for fiscal
18 year 2024-2025 in Act 164, Regular Session of 2023, and this Act
19 only. The reasons for exceeding the general fund expenditure
20 ceiling are that:



1 (1) The appropriation made in this Act is necessary to
2 serve the public interest; and

3 (2) The appropriation made in this Act meets the needs
4 addressed by this Act.

5 SECTION 13. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2024-2025 to
8 fund full-time equivalent (FTE) positions within the
9 Hawaii workforce development board.

10 The sum appropriated shall be expended by the department of
11 business, economic development, and tourism for the purposes of
12 this Act.

13 SECTION 14. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 15. This Act shall take effect on July 1, 3000.



Report Title:

DBEDT; Workforce Development Council; Workforce Development Board; Chairperson; Conflict of Interest; K-12 Agriculture Workforce Development Pipeline Initiative; Expenditure Ceiling; Appropriation

Description:

Renames the "Hawaii Workforce Development Council" to the "Hawaii Workforce Development Board". Clarifies that the Workforce Development Board is administratively attached to the Department of Business, Economic Development, and Tourism. Requires the Workforce Development Board and local workforce development boards to develop written conflict of interest policies consistent with federal law and regulations. Requires the Governor to select the chairperson of the board from among the business representative board members. Requires the Workforce Development Board to assist the Governor in coordinating local workforce development boards to improve the workforce development system. Repeals the requirement for the Department of Labor and Industrial Relations to submit an annual report to the Legislature on the activities of the K-12 Agriculture Workforce Development Pipeline Initiative. Restores program identification numbers and positions for the Hawaii Workforce Development Board that were transferred to the Workforce Development Division of the Department of Labor and Industrial Relations by Act 88, Session Laws of Hawaii 2021. Makes an appropriation. Effective 7/1/3000. (HD1)

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