

STAND. COM. REP. NO. **2439**

Honolulu, Hawaii

**FEB 15 2024**

RE: S.B. No. 560  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Labor and Technology, to which was referred S.B. No. 560, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LABOR,"

begs leave to report as follows:

The purpose and intent of this measure is to transfer the Workforce Development Division from being directly part of the Department of Labor and Industrial Relations to the Workforce Development Council, an entity that is administratively attached to the Department of Labor and Industrial Relations.

Your Committee received testimony in support of this measure from three individuals.

Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations; Department of Human Services; Office of Community Services; Hawai'i Teachers Standards Board; United Public Workers, AFSCME Local 646, AFL-CIO; International Brotherhood of Electrical Workers Local Union 1260; Hawaii Government Employee Association, AFSCME Local 152, AFL-CIO; Operating Engineers Local 3; Hawaii State AFL-CIO; Pride at Work - Hawai'i; Hawai'i Nurses Association OPEIU Local 50; Hawaii Regional Council of Carpenters; Hawai'i Workers Center; Kauai Coffee Company; IATSE Local 665; Hawaii Operating Engineers Local 3JAC; and two individuals.



Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the Workforce Innovation and Opportunity Act was passed by Congress to authorize state workforce development boards to drive the vision for a workforce system at the state and local levels and to lead in its implementation by engaging state and local partners, employers, and community members. Your Committee further finds that in response, the legislature created the Hawaii Workforce Development Council to carry out the vision and goals of the Workforce Innovation and Opportunity Act, by authorizing the Governor to appoint the council members and for the council and its staff to be administratively attached to the Department of Labor and Industrial Relations. Your Committee now finds that the Hawaii Workforce Development Council, rather than the director of labor and industrial relations, can better integrate and ensure the effectiveness of the various programs for workforce development and regional economic growth. Accordingly, this measure transfers the core employment and training programs currently under the Workforce Development Division of the Department of Labor and Industrial Relations to the Workforce Development Council.

Your Committee notes the various concerns raised in testimony on this measure, including that it would have civil service employees being overseen by noncivil service personnel; would take powers and responsibilities away from the Governor and place it with a forty-one member council with little accountability powers, any insufficient experience with the complex issues and means of operation required to run the Workforce Development Division as intended. Testimony also raised that the Work Force Development Council is an advisory agency and was not meant nor is structured to be an administering agency. Your Committee finds that these issues merit further consideration and respectfully requests that subsequent committees to which this measure's referred examine the concerns.

Your Committee has amended this measure by inserting an effective date of July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Labor and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 560, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 560, S.D. 2, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Labor and  
Technology,



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HENRY J.C. AQUINO, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Labor and Technology**  
**LBT**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB560, 9D1	LBT, WAM	2/12/24		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
AQUINO, Henry J.C. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
IHARA, Jr., Les	X			
LEE, Chris				X
FEVELLA, Kurt			X	
<b>TOTAL</b>	3		1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: _____				
Distribution:            Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes