



STATE OF HAWAII  
KA MOKU'ĀINA O HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
KA 'OIHANA PONO LIMAHANA

February 5, 2024

To: The Honorable Henry J.C. Aquino, Chair,  
The Honorable Sharon Y. Moriwaki, Vice Chair, and  
Members of the Senate Committee on Labor and Technology

Date: Monday, February 5, 2024  
Time: 3:10 p.m.  
Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: S.B. 2351 RELATING TO WORKFORCE DEVELOPMENT**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The **DLIR supports** this measure that proposes to amend Chapter 202, Hawaii Revised Statutes (HRS) to :

- Conform the law to the conflict-of-interest provisions and nomenclature found in the Workforce Innovation and Opportunity Act (WIOA) and corresponding federal regulations,
- Amend the workforce development council law to be consistent with the state budget, and
- Clarifies that the Governor selects the chairperson of the state workforce development board from among the private members.

This measure also repeals the requirement for the Department to report to the legislature the activities of the K-12 agriculture workforce development pipeline initiative.

**II. CURRENT LAW**

The General Appropriations Act of 2021, eliminated the program identification number of the Workforce Development Council (WDC) and transferred its appropriation and positions to the Workforce Development Division (WDD).

The WIOA and related regulations found in 2 C.F.R part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal

Awards), 29 C.F.R. part 2900 and section 97.36, and 20 C.F.R. part 683 (Administrative Provisions Under Title I of the WIOA) and part 679 address conflicts of interest for non-federal entities and for recipients and subrecipients of federal awards under title I of the WIOA.

2 C.F.R. part 200 and part 2900 establish uniform administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities and requires written standards of conduct covering conflicts of interest and governing the actions of employees.

20 C.F.R. part 683 requires that state and local workforce development board and standing committee members cannot vote on or participate in any decision-making capacity on the provision of services or any matter that would provide direct financial benefit to that member or the member's family. This bill codifies those federal regulations in the state law.

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

The DLIR supports this measure that amends the Workforce Development Council law to be consistent with the state budget as enacted in the General Appropriations Act of 2021 (Act 88 SLH, 2021), and conforms the WDC statute to the conflict of interest provisions and nomenclature found in the corresponding federal law (WIOA). In a previously introduced measure, the DLIR worked with the Hawaii State Ethics Commission to hone the language of this ethics provision that is also contained in this proposal to clarify the responsibilities of the Governor pursuant to Chapter 202 (HRS) and the provisions found in the WIOA.

The bill also makes the terminology used in the state statutes consistent with the federal law: "Workforce Development Council" is changed to "Hawaii Workforce Development Board", and "county workforce development board" is changed to "local workforce development board".

This measure also clarifies that the Governor selects the chairperson of the board from among the private sector members in accordance with the WIOA.

In addition, the measure will also repeal the requirement for the department to submit an annual report to the legislature of the activities of the K-12 agriculture workforce development pipeline initiative – last funded by the legislature in fiscal year 2016 – 2017.

# IATSE LOCAL 665

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Thirty-Second Legislature, State of Hawai'i  
Regular Session of 2024  
Senate Committee on Labor and Technology

Testimony by IATSE 665  
February 5th, 2024

## **S.B. 2351 - RELATING TO WORKFORCE DEVELOPMENT**

Aloha Chair Aquino, Vice Chair Moriwaki, and members of the Senate Committee,

My name is Tuia'ana Scanlan, International Trustee and president of IATSE Local 665, the union representing technicians in the entertainment industry in Hawai'i. **Local 665 supports SB 2351**, relating to workforce development **with amendments**

The Workforce Innovation and Opportunities Act (WIOA) of 2014 is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA requires that states establish a workforce development board to be a planning and policy advisor to the Governor on workforce issues. Additionally, these advisory boards are intended to serve as an informational "clearinghouse" for all workforce development programs in the state and were originally intended to be the primary architects of overall state workforce strategy. It is only when these, among other, milestones are met that the state of Hawai'i can continue to receive federal workforce development funds. By engaging all stakeholders, a fully funded state unified plan on workforce development can holistically prepare Hawai'i's job seekers to be competitive in the global market and positively impact the state's economy.

The goals of WIOA are both lofty and worthy. I've witnessed firsthand the dedication and professionalism of the Hawai'i Workforce Development Council in their journey towards achieving these goals. **We propose that SB 2351 be amended** so that Section 4, subsection (d) relating to quorum and Section 6, subsection (c) relating to the council's ability to negotiate and enter into contracts remain in the language of the bill

**IATSE 665 asks for your committee's support of SB 2351 with these proposed amendments.** Thank you for the opportunity to testify.

In Solidarity,

A handwritten signature in black ink, appearing to read 'Tuia'ana Scanlan', written in a cursive style.

Tuia'ana Scanlan  
International Trustee  
President, IATSE 665  
(he/him/his)



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the Senate Committee on Labor and Technology  
Monday, February 5, 2024, at 3:10PM  
Conference Room 224 & Videoconference**

**RE: SB2351 Relating to Workforce Development**

Chair Aquino, Vice Chair Moriwaki, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **submits comments on SB2351**, which includes various amendments to the Workforce Development Council.

The Chamber works closely with DLIR in support of Hawaii's workforce development efforts, ensuring Hawaii businesses have a skilled, local talent pipeline and provides kamaaina families with sustainable careers, providing upward mobility and personal satisfaction. Both Workforce Development Council (WDC) and Workforce Development Division (WDD) play critically important roles in leading and implementing this work and both are vital partners to the work of the Chamber. The Chamber supports a structure that optimizes both organizations and ensures Hawaii is operating in accordance with WIOA mandates.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for the opportunity to testify.

**LATE**

**SB-2351**

Submitted on: 2/5/2024 10:18:31 AM

Testimony for LBT on 2/5/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cary Miyashiro	Testifying for Vice Chair - Workforce Development Council	Support	Written Testimony Only

Comments:

Chair Aquino, Vice Chair Moriwaki and committee members.

I support placing the Workforce Development Council (WDC) administratively under the DLIR and reporting directly to the Governor as prescribed under the Workforce Innovation and Opportunity Act (WIOA). WDC members are appointed by the Governor and confirmed by Senate to advise the Governor on workforce development issues. This bill will greatly enhance the utilization of the 41 members from public, private and the labor union sectors in creating new and innovative opportunities filling gaps in employment shortage areas.

Our focus is bringing opportunities to those with barriers to employment such as those in the high needs population (economically disadvantaged, immigrants, and Special Needs), ex-offenders, single parents and ex-drug offenders. We also, develop career pathways into employment in hard to fill positions in health, IT, shipbuilding, aviation, Commercial truck drivers etc.

This bill will give us greater flexibility and direct approach to address the needs of our future employees.

One of the challenges is retaining local talent in Hawaii. Can we develop businesses that will give local residents opportunities for high skill, high wage employment? Hawaii has many untapped resources that we are beginning to look at.

I strongly support reestablishing WDC's Program ID which will be needed to build and support new and innovative programs.

Thank you for the opportunity to voice my thoughts.

**LATE**

Ken H Loui  
816 Ekoa Place  
Honolulu, HI 96821

Subject: Testimony for S.B. No. 2351

As the current Chair of the State of Hawaii Workforce Development Council (WDC), which per Senate Bill No. 2351 is to be renamed "Board", I would like to express both my support and opposition to the following elements of the Bill.

Chapter 202, Section 2:

Conflict of Interest: Support (though it is redundant to HRS 84-14)

Chapter 202-1, Section 4:

Rename of WD Council to WD Board: Support (though "Council" helps to differentiate it from the Local Area Boards)

Quorum: Oppose. In favor of retaining the 16 members as quorum.

Chapter 202-3, Section 6 (Powers of the Board):

Prohibiting employment of other personnel: Oppose

Prohibiting ability to hold hearings: Oppose

Prohibiting negotiation and contracting: Oppose

Prohibiting the administering funds: Oppose

The proposed changes to 202-3, section 6 will negatively impact the Board's ability to perform its duties, specifically the implementation of the state plan per 29 USC section 3111 and HRS 202-2.

Additionally, I would like to express my support for the reinstatement of the program identification number for the Workforce Development Council as the WDC does not have the funding as well as staffing it needs to support its work.

The WDC is comprised of forty-one members from the private and public sectors including representatives from our state's executive and legislative branches, mayors or their designees, local workforce development boards, leaders from educational system, labor organizations, nonprofit organizations and businesses. Prior to the elimination of the program identification number, the WDC had a staff of more than 10 administrative personnel but now has a staff comprising of the executive director and one administrative assistant which is insufficient to support its many duties and responsibilities.

I am concerned that the continued lack of staffing and funding for the WDC will negatively impact its ability to attract and retain members to serve on WDC, thus jeopardizing its mission and purpose.

Sincerely,  
Ken H Loui  
Chair, Workforce Development Council



**SB-2351**

Submitted on: 2/3/2024 11:33:26 PM

Testimony for LBT on 2/5/2024 3:10:00 PM

Submitted By	Organization	Testifier Position	Testify
Alan S. Hayashi	Individual	Comments	Written Testimony Only

Comments:

ALAN S. HAYASHI

207-4 KAWAIHAE STREET

HONOLULU, HAWAII 96825

Honorable Senator Henry J.C. Aquino, Chair

Honorable Senator Sharon Y. Moriwaki, Vice Chair

Senate Committee on Labor and Technology

State Capitol / Honolulu, Hawaii

Subject: Testimony on SB2351 on February 5, 2024

Chair Aquino, Vice Chair Moriwaki, and Members of the Senate Committee on Labor and Technology

My name is Alan Hayashi, past chair of the Workforce Development Council (WDC) and interested citizen regarding the future of the WDC. I am here to make comments on the future structure of the WDC from the perspective of one who spent 8 years on the WDC, under the original and current revised structure.

I personally do not have any reservations with enacting portions of the proposed HB2199 regarding (Ethics/Conflict of interest policy, WDC Board Composition, Governor's appointment of the Chairperson).

1. I do feel the current and proposed legislative structure of WDC and the interpretation of some provisions by DLIR staff are destructive to the WDC, and its ability and extensive capability, to perform its function. In short, I recommend the 2024 Legislature return the WDC to its original structure and allow it to function to full capability.

1. WDC has much capability as envisioned by the Legislature that created the WDC to oversee the implementation of the Workforce Innovation Opportunity ACT (WIOA). WDC was established to have a diverse board composed of private, and public sector to represent Hawaii's Employers, Labor Unions, Government (City and State), and the Military's needs. This highly qualified Board can have much to offer DLIR and the State, if it is allowed to perform its functions as originally conceived and structured. In the last 3 years the WDC has been emasculated by past "partial" legislation, and WDC Board members are disheartened. Many have left the organization for other Boards and Commissions where their talents are welcomed, and put to good use.
1. recommend the restoration of the WDC budget line with original semi-autonomous organizational structure and recognition as a Council rather than a Board....which confuses many with the existence of four (4) other county Workforce Development Boards.
1. the Legislature is unwilling to return the WDC's limited autonomy, I am concerned that more Board members will leave and eventually it will be even more ineffective. No new members will want to join the WDC as it is ineffective and incapable of fulfilling its promise. that be the future, I recommend immediate "sunsetting of the WDC" and allow the highly capable members to employ their volunteered talents elsewhere. Thank you for the opportunity to testify....mahalo, and Aloha!