



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

February 7, 2024

To: The Honorable David A. Tarnas, Chair,  
The Honorable Gregg Takayama, Vice Chair, and  
Members of the House Committee on Judiciary & Hawaiian Affairs

Date: Wednesday, February 7, 2024  
Time: 2:00 p.m.  
Place: Conference Room 325, State Capitol

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

**Re: H.B. 2199 HD1 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 HOUSE 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.



Ken H Loui  
816 Ekoa Place  
Honolulu, HI 96821

Subject: Testimony for H.B. No. 2199 HD1

I recommend that HB2199 HD1 be amended as follows:

Page 2, Lines 5-6: Revise as follows: “The purpose of this Act is to amend the state budget to be consistent with the Hawaii Workforce Development Council law.”

Page 6, lines 16-20: Reinstate former language regarding quorum of sixteen council members.

Page 12, lines 9-10: Reinstate former language allowing the council/board to employ personnel as it deems advisable.

Page 12, lines 11-15: Reinstate former language allowing the council to hold hearings, etc.

Page 12, lines 16-19: Reinstate former language allowing the council to negotiate and enter into contracts.

Page 13, lines 7-12: Reinstate former language allowing the council to administer, accept and disburse funds.

Justification: Pursuant to Page 8, lines 3-4, the duties of the Council shall be “the development and continuous improvement of the workforce development system in the state.” The proposed clauses in HB1299 HD1 referenced above will negatively impact the Council’s ability to perform its duties.

Sincerely,  
Ken H Loui  
Chair, Workforce Development Council

# IATSE LOCAL 665

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Thirty-Second Legislature, State of Hawai'i  
Regular Session of 2024  
House Committee on Judiciary and Hawaiian Affairs

Testimony by IATSE 665  
February 7th, 2024

## **H.B. 2199 HD1- RELATING TO WORKFORCE DEVELOPMENT**

Aloha Chair Tarnas, Vice Chair Takayama, and members of the House Committee,

My name is Tuia'ana Scanlan, president of IATSE Local 665, the union representing technicians in the entertainment industry in Hawai'i. **Local 665 strongly supports HB 2199 HD1 and proposes amendments**, relating to workforce development.

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.

**We propose that HB 2199 HD1 be amended** to reinstate the language that was struck from Section 4, subsection (d) regarding quorum:

*"From June 6, 2016, and until such time that the council has forty one members, sixteen council members shall constitute a quorum to do business, and the concurrence of at least sixteen council members shall be necessary to make any action of the council valid."*

Additionally, we propose that HB 2199 HD1 be amended to reinstate the language that was struck from Section 6, subsections (b), (c), and (f):

*(b) The council, or on authorization of the council, and subcommittee or panel thereof, may, for the purpose of carrying out its functions and duties, hold such hearings and sit and act at such times and places as the council may deem advisable.*


*(c) The council may negotiate and enter into contracts with public agencies or private organizations to carry out its studies and to prepare reports that the council determines to be necessary to the fulfillment of its duties.*

*(f) The council may administer funds allocated for its work and may accept, disburse, and allocate funds which may become available from other governmental and private sources; provided that all the funds shall be disbursed or allocated in compliance with the objectives set forth herein, and applicable laws.*

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. Currently, the HI WDC is prevented from operating in its intended capacity. HB 2199 HD1 would re-establish the Hawai'i Workforce Development Board and create the vital independence that the HI WDB needs to succeed. HB 2199 HD1 aligns the functions of the HI WDB with its designed purpose. The proposed amendments are vital to empowering this entity to perform the functions for which it was designed.

**IATSE 665 humbly asks for your committee's consideration of the proposed amendments to HB 2199 HD1.** 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  
President, IATSE 665 (he/him/his)



## Testimony in Support of HB 2199

Aloha Chair Tarnas, Vice Chair Takayama, and Committee Members,

I represent the Hawai'i Workforce Funders Collaborative (HWFC), a coalition of philanthropic foundations committed to creating equitable pathways to good jobs for all learners and job seekers in Hawai'i. Our focus is on fostering collaborative solutions to address the real challenges faced by workers in our state.

HB 2199 - Relating to Workforce Development - aims to enhance the structure and functionality of the Hawai'i Workforce Development Board. The bill focuses on revising the composition of the board to ensure a diverse and representative membership, including members from different sectors such as business, labor, and public employment services. It also emphasizes the implementation of conflict of interest policies to maintain the integrity of the board's decision-making process. Moreover, the bill aims to streamline the coordination of workforce development activities across the state, aligning them with both the state budget and federal regulations. These changes are designed to bolster the board's capacity to oversee and guide Hawai'i's workforce development strategies effectively.

HWFC supports HB 2199 as it is crucial for the Workforce Development Board to have the capacity and structure to comply with Department of Labor guidelines and implement the strategic objectives of the State Unified Workforce Development Plan. Under the Workforce Innovation and Opportunity Act (WIOA), state Workforce Development Boards play a pivotal role in reviewing policies, aligning workforce and education programs, and enhancing statewide workforce systems. This bill ensures the Board can effectively perform these roles, fostering a more coordinated and responsive workforce development environment in Hawai'i.

In conclusion, HB 2199 is pivotal in strengthening Hawai'i's approach to workforce development, ensuring compliance with federal guidelines, and effectively serving our state's workforce needs.

Thank you,

A handwritten signature in black ink, appearing to read "Matt Stevens", is written over a thin horizontal line.

Matt Stevens  
Executive Director  
Hawai'i Workforce Funders Collaborative

**HB-2199-HD-1**

Submitted on: 2/6/2024 1:51:42 PM

Testimony for JHA on 2/7/2024 2:00:00 PM

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

Comments:

ALAN S. HAYASHI

207-4 KAWAIHAE STREET

HONOLULU, HAWAII 96825

Honorable David A. Tarnas, Chairman

Honorable Gregg Takayama, Vice Chairman

Committee on Judiciary and Hawaiian Affairs

State Capitol / Honolulu, Hawaii, Room 325

Subject: Testimony on HB2199 HD1 on February 7, 2024

Chair Tarnas, Vice Chair Takayama, and Members of the House Committee on Judiciary and Hawaiian Affairs

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.

1. personally do not have any reservations with enacting portions of the proposed HB2199 HD1 regarding (Ethics/Conflict of interest policy, WDC Board Composition, Governor's appointment of the Chairperson). However, I do object to portions of the measure which further emasculate the WDC and would make it an ineffective organization. Therefore, **do not support passage of the HB2199 HD1 measure in current form.** Rather, support the testimony on HB2199 HD1, as submitted by WDC Chairman Ken Loui.
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 will be ineffective and incapable of fulfilling it's 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!