



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

February 1, 2024

To: The Honorable Scott Z. Matayoshi, Chair,
The Honorable Andrew Takuya Garrett, Vice Chair, and
Members of the House Committee on Labor & Government Operations

Date: Thursday, February 1, 2024
Time: 9:00 a.m.
Place: Conference Room 309, State Capitol

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

Re: H.B. 2199 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.

The 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 boards 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.



Testimony in Support of HB 2199

Aloha Chair Matayoshi, Vice Chair Garrett, 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 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".

Matt Stevens
Executive Director
Hawai'i Workforce Funders Collaborative



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Labor and Government Operations
Thursday, February 1, 2024, at 9AM
Conference Room 309**

RE: HB2199 Relating to Workforce Development

Chair Matayoshi, Vice Chair Garrett, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **submits comments on HB2199**, 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.

IATSE LOCAL 665

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Thirty-Second Legislature, State of Hawai'i
Regular Session of 2024
House Committee on Labor and Government Operations

Testimony by IATSE 665

February 1st, 2024

H.B. 2199 - RELATING TO WORKFORCE DEVELOPMENT

Aloha Chair Matayoshi, 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**, 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.

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 would re-establish the Hawai'i Workforce Development Board and create the vital independence that the HI WDB needs to succeed. HB 2199 aligns the functions of the HI WDB with its designed purpose.

IATSE 665 asks for your committee's support of HB 2199. Thank you for the opportunity to testify.

In Solidarity,

A handwritten signature in black ink, appearing to read 'Tuia'ana Scanlan'. The signature is fluid and cursive, with a large initial 'T' and 'S'.

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

Ken H Loui
816 Ekoa Place
Honolulu, HI 96821

Subject: Testimony for H.B. No. 2199

As the current Chair of the State of Hawaii Workforce Development Council (WDC), which per House Bill No. 2199 is to be renamed "Board", I would like to express my support for HB 2199.

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 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

HB-2199

Submitted on: 1/29/2024 6:27:43 PM

Testimony for LGO on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathryn Matayoshi	Individual	Support	Written Testimony Only

Comments:

I support the amendments to the Workforce Development Council statute, to conform to the requirements. I believe an active and supported Workforce Development Board can be a critically important entity for aligning policy and actions to support a more coordinated approach to workforce development.

HB-2199

Submitted on: 1/30/2024 9:10:10 PM

Testimony for LGO on 2/1/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cary Miyashiro	Individual	Support	Written Testimony Only

Comments:

Members of the Workforce Development Council (WDC) are appointed by the Governor and confirmed by the Senate. The intent of WIOA was to create an advisory council/board for the Governor to reflect on Workforce issues. Focusing on barriers of employment and high demand careers. There is much work to be done with the high needs population (economically disadvantaged, Special Education (SPED), Imigrants) along with ex-offenders, houseless individuals, ex-drug users, and single parents.

To meet the spirit and intent of WIOA the WDC must operate administratively attached to and not under the DLIR/Workforce Development Division (WDD) with its own Program ID as in the past.

Thank you for your consideration.

HB-2199

Submitted on: 1/30/2024 9:22:02 PM

Testimony for LGO on 2/1/2024 9:00:00 AM

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 Scot Z. Matayoshi, Chairman

Honorable Andrew T. Garrett, Vice Chairman

House of Representatives Committee on Labor and Government Operations

State Capitol / Honolulu, Hawaii

Subject: Testimony on HB 2199 on February 1, 2024

Chair Matayoshi, Vice Chair Garrett, and Members of the House Committee on Labor and Government Operations:

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!