



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

February 12, 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 12, 2024  
Time: 3:15 p.m.  
Place: Conference Room 224, State Capitol

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

**Re: S.B. 560 SD1 RELATING TO LABOR**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The **DLIR strongly opposes** this measure that transfers the Workforce Development Division (WDD) to the Workforce Development Council (WDC), which is placed within the DLIR for administrative purposes and acts in an advisory capacity to the Governor.

The workforce programs administered by the WDD are complicated and complex. This proposal would have oversight by a 41-member private-sector led board without subject matter expertise in the programs, state human resources policies and procedures, federal fiscal administrative requirements, cost principles & audit requirements; and procurement, among other matters. The board does not have technical expertise and understanding of the nuances and subtleties of these programs and compliance processes that can only be developed over long periods of time, which ultimately exposes the State to increased liability.

This measure would dilute the Governor's authority over all federal and state programs currently operated by the WDD by removing the Director and inserting a 41-member board to have direct oversight of those programs. What is the mechanism for accountability to the public, taxpayers, and stakeholders of those programs? Where is the accountability and to whom? The measure appears to require the Governor to pursue removal or suspension for cause after due notice and public hearing, which is tenable for malfeasance, misfeasance, and nonfeasance and similar matters. To effect policy changes, the Governor may need to wait to accrue a majority within the 41 members, which may be halfway or

more through the Governor's four-year term as the board members themselves serve for four years.

This measure has the potential to further erode the public's confidence in government and ethical standards by inserting political appointees into direct oversight of programs, funding decisions, procurement, and service delivery to low-income persons and vulnerable communities intended by federal workforce funding.

Placing the numerous federal and state programs administered by the WDD also raises issues regarding equity & access, contravention of federal employment law and regulations, and the creation of conflicts of interest in the oversight of state personnel as well as state and federal funds. Moreover, the proposed additions to the duties of the WDC under §202-2 are ambiguous and potentially create conflicts in the administration of various laws and jeopardize federal funding and federal takeover of programs like Hawaii's Registered Apprenticeship Programs.

## **II. CURRENT LAW**

The General Appropriations Act of 2021, eliminated the program identification number of the WDC and transferred its appropriation and positions to the WDD.

Chapter 372 Apprenticeship, Hawaii Revised States (HRS), serves as the State's complimentary apprenticeship law in conformance with 29 CFR Part 29 Labor Standards for the Registration of Apprenticeship Programs.

29 CFR Part 29.13 sets forth the criteria for the recognition of State Apprenticeship Agencies and failure to comply with these requirements may result in rescission of recognition of the State Apprenticeship Agency pursuant to 29 CFR Part 29.14 Derecognition of State Apprenticeship Agencies.

29 CFR Part 29.13(b)(9) states that all proposed modifications in legislation, regulations, policies and/or operational procedures planned or anticipated by a federally-recognized "State Apprenticeship Agency", either at the time of application for recognition or subsequently, must be submitted to U.S.DOL's Office of Apprenticeship for review and obtain the Office of Apprenticeship's concurrence prior to implementation.

29 CFR Part 29.13(a)(2) states: The State Apprenticeship Agency must establish and continue to use a State Apprenticeship Council, which operates under the direction of the State Apprenticeship Agency. (which is under the Director of Labor and Industrial Relations).

20 CFR Part 679 Subpart A describes the purpose of the State Workforce Development Board is to advise the Governor in development and implementation of a Unified State Plan for the Workforce Innovation and Opportunity Act (WIOA)

and assist in achieving the State's strategic and operational vision and goals outlined in the plan, including service delivery to the Local Areas using WIOA formula funds.

The WIOA and related regulations found in 2 CFR part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), 29 CFR part 2900 and section 97.36, and 20 CFR part 683 (Administrative Provisions Under Title I of the WIOA) and 20 CFR 679.430 address conflicts of interest for non-federal entities and for recipients and subrecipients of federal awards under title I of the WIOA.

2 CFR 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 that governs the actions of employees.

20 CFR 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 and pursuant to 2 CFR 200.318 state and local boards must have written standards of conduct covering conflicts of interest and governing the actions of its employees.

29 CFR Part 38 Implementation of the Nondiscrimination and Equal Opportunity Provisions of the WIOA requires the Governor to establish and implement a Nondiscrimination Plan for State Programs and designate a State-Level Equal Opportunity Officer (EO Officer) that reports directly to the Governor or the Governor's designee in overseeing the development and implementation of the Nondiscrimination Plan.

29 CFR Part 38.29 requires that the EO Officer report directly to the highest-level position of authority for the entity that is the recipient of WIOA grants such as the Governor or Administrator of the State Department of Employment Services (i.e., DLIR Director).

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

The department offers the following observations pertaining to SB560 SD1:

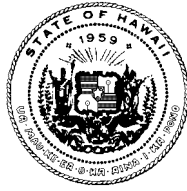
- This measure dilutes the Governor's authority over workforce programs under the DLIR. The chain of authority for the workforce programs identified in the measure would run through a state board with 41 members. Currently, the Governor may easily convey policy to the Director or remove the Director.
- The DLIR Director would remain the WIOA and Wagner-Peyser grants' recipient and signatory to the conditions of the awards but would have no

control or authority over the usage of those funds to ensure the expenditures are lawful.

- 20 CFR Part 679 Subpart A and §202-2, HRS, intend the State Workforce Development Board to advise the Governor regarding the WIOA workforce efforts and strategic planning but do not intend nor prescribe direct oversight of Employment Service agency operations as suggested by this measure.
- 20 CFR Parts 651, 652, 653 and 658 require merit staffing (civil service) in the provision of Wagner-Peyser Employment Services programs to be overseen by the State Administrator (DLIR Director) of the State Workforce Agency (DLIR) designated under Section 4 of the Wagner-Peyser Act. This measure would have the Employment Service staff overseen by the State Workforce Development Board in potential contravention to the Wagner-Peyser regulations.
- Placing the WDC in charge of the State Apprenticeship Program would conflict with 29 CFR Part 29 Labor Standards for the Registration of Apprenticeship Programs and would lead to the federal U.S. Department of Labor taking over registered apprenticeship in Hawaii.
- Reorganizing the WDD under the WDC would give the WDC the prerogative to be involved in personnel matters for civil service and exempt employees of the WDD including hiring, promotion, demotion and discharge pursuant to §26-35(4), HRS.
- §26-35(8) HRS prohibits the department head from supervising a board therefore the WDC would be required to take on and staff all human resources and fiscal functions for programs operated by the WDD and adhere to all federal laws and regulations pertaining to the WIOA including:
  - 2 CFR part 200 and part 2900 that establish uniform administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities and standards of conduct covering conflicts of interest and governing the actions of employees. Failure to adhere to these policies and procedures would lead to federal findings and disallowed costs that would require general funds to reimburse the disallowed costs.
  - 20 CFR 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. All WDD programs and funds would be subject to these federal regulations in addition to Chapter 84, Standards of Conduct, HRS.

- This organizational arrangement would violate 29 CFR Part 38 Implementation of the Nondiscrimination and Equal Opportunity Provisions of the WIOA, which requires the Governor to establish and implement a Nondiscrimination Plan for State Programs and designate a State-Level Equal Opportunity Officer (EO Officer) that reports directly to the Governor or the Governor's designee in overseeing the development and implementation of the Nondiscrimination Plan. 29 CFR Part 38.29 requires that the EO Officer report directly to the highest-level position of authority for the entity that is the recipient of WIOA grants such as the Governor or Administrator (DLIR Director) of the State Department of Employment Services. This measure would require transferring the State Level EO Officer to the Governor's Office.
- It is unclear what specific programs and federal funding streams are involved in the proposed WDC's duties to oversee employment & training programs, dislocated workers, and federal workforce programs, which may violate federal law/regulations and lead to the loss of federal funding as described above.
- The measure appears to put vocational rehabilitation programs, currently under the Department of Human Services (DHS), under the WDC. WIOA Title IV provides services to individuals with disabilities and federal funds flow through DHS for this purpose. Placing DHS's Division of Vocational Rehabilitation (DVR) contravenes federal and state law.
- The measure would also require the WDC to duly notice, meet & deliberate, and vote on matters (Chapter 92, Sunshine Law) that could include such items like applications for all federal discretionary grants like the National Dislocated Worker Grants under the WIOA (like the \$15M to serve those impacted by the Maui wildfires), the award of macro and micro-grants under the Employment & Training Fund (which could create conflicts of interest in of itself), the Senior Community Service Employment Program contract to Maui Economic Opportunity Inc., Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Program contracts, Employment Services in First-to-Work (FTW) contracts with DHS for Temporary Assistance for Needy Families (TANF) program. Moreover, pursuant to §26-35(4), all personnel actions would be subject to the Sunshine Law.
- State-funded initiatives under the WDD like the Hele Imua internship program would fall under the WDC.

JOSH GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



CATHY BETTS  
DIRECTOR  
KA LUNA HO'ŌKELE

JOSEPH CAMPOS II  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'ŌKELE

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**DEPARTMENT OF HUMAN SERVICES**  
KA 'OIHANA MĀLAMA LAWELAWE KANAKA  
Office of the Director  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

TRISTA SPEER  
DEPUTY DIRECTOR  
KA HOPE LUNA HO'ŌKELE

February 11, 2024

To: The Honorable Senator Henry J.C. Aquino, Chair  
Senate Committee on Labor & Technology

FROM: Cathy Betts, Director

SUBJECT: **SB 560 SD1 – RELATING TO LABOR.**

Hearing: Monday, February 12, 2024, 3:15 p.m.  
Conference Room 224, State Capitol & Video Conference

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) strongly opposes this bill and defers to the Department of the Attorney General, the Department of Labor & Industrial Relations, and other impacted agencies. DHS provides comments.

**PURPOSE:** The purpose of this bill 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.

DHS opposes the measure as it violates existing law, will likely unnecessarily disrupt and delay the delivery of vocational rehabilitation services in the State, and may jeopardize the receipt of federal funds.

DHS opposes the amendments in Section 2 (page 3, line 5) that would make the Workforce Development Council responsible for "(4) vocational rehabilitation programs;" and Section 3 (page 8, line 6) "(2) Administer the programs assigned to it by law[.]" Notably, the Department of Human Services, Division of Vocational Rehabilitation (DVR) is the sole agency

that provides vocational rehabilitation programs and not the Workforce Development Division of DLIR. Per section 348-3, HRS, DHS,

"shall be the state agency to supervise and administer the vocational rehabilitation services authorized by this chapter under the state plan formulated in conformance with the Federal Vocational Rehabilitation Act, as amended, except for that part as may be administered by a local agency of a political subdivision in the State, and the department of human services shall be the agency to supervise the local agency in the administration of that part."

Additionally, section 17-400.1-2, Hawaii Administrative Rules, designates DHS as " the sole state agency to administer the VR services program."

Further, the administrator of DVR serves as a member of the WDC per section 202-(b)(2), HRS, along with the Director of Labor & Industrial Relations and other department directors per section 202-(b)(1), HRS. Per section 202-2, HRS, the WDC is an advisory council to the Governor; it is not established, organized, or resourced to be an implementing agency.

As proposed, the WDC, whose membership also includes County Mayors and private sector representatives, would implement and oversee programs run by state agencies, and would likely create conflicts of law and interests, lead to confusion, and disrupt service delivery. Disruption in service delivery would likely jeopardize the State's continued receipt of federal funds.

Further, per section 202-1(c), HRS, WDC members "serve without compensation but shall be reimbursed for travel expenses necessary for the performance of their duties." If this measure passes, it would mandate members of the WDC to be responsible for and oversee programs and staff without compensation.

Additionally, per section 348-8, HRS, and as mandated by federal regulation (section 361.16 Code of Federal Regulation), the consumer-driven State Rehabilitation Council provides oversight of DVR services. Specifically, section 348-8(d), describes that,

"The council after consulting with the state workforce development council, shall advise the vocational rehabilitation division of the department on eligibility, order of selection, extent, scope, and effectiveness of services provided, and performance of state agencies that affect or that potentially affect the ability of individuals with disabilities in achieving employment outcomes."

Importantly, DVR administers the vocational rehabilitation programs that the United States Department of Education, Rehabilitation Services Administration primarily funds. While Section 7 of the bill states, "*It is the intent of this Act not to jeopardize the receipt of any federal aid nor to impair the obligation of the State or any agency thereof,*" as drafted, the disruption and confusion that will result if this measure passes would certainly jeopardize continued receipt of federal aid.

DVR has long been successfully housed within the Department of Human Services, which is most appropriate given its mandate to provide specialized, individualized services to Hawaii's vulnerable citizens with the most significant disabilities. DVR is an employment program, and its dedicated employees have highly specialized training and experience in the provision of essential services to assist individuals in preparing for, obtaining, maintaining, and advancing in competitive, integrated employment to transform the lives of individuals with disabilities by providing careers, self-sufficiency, and empowerment according to the individual's informed choice, priorities, abilities, and capabilities. DVR also works with employers to overcome barriers and misconceptions regarding the capabilities of individuals with disabilities and the critical skills they bring to the workforce.

Thank you for the opportunity to provide comments in opposition to this measure.





**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-SECOND LEGISLATURE, 2024**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 560, S.D. 1, RELATING TO LABOR.

**BEFORE THE:**

SENATE COMMITTEE ON LABOR AND TECHNOLOGY

**DATE:** Monday, February 12, 2024      **TIME:** 3:15 p.m.

**LOCATION:** State Capitol, Room 224 and Videoconference

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Dale M. Fujimoto, Deputy Attorney General

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Chair Aquino and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

The bill removes the Workforce Development Division from the Department of Labor and Industrial Relations (Department) and transfers it to the Workforce Development Council (WDC), establishes additional responsibilities for the WDC, and requires the WDC to report annually to the Governor and Legislature on workforce development programs in the State.

On page 8, lines 1-2, section 3 of the bill amends section 202-5, Hawaii Revised Statutes (HRS), by removing wording that the WDC "is placed within" the Department. Article V, section 6, of the Hawaii Constitution, requires that boards created by law within the executive branch must be established or placed "within" a principal department unless they are temporary and for special purposes. To ensure that the placement of the WDC complies with article V, section 6, of the Hawaii Constitution, we recommend keeping the wording "is placed within" in section 202-5, HRS.

Section 2 of the bill amends section 202-2, HRS, on page 3, lines 1-10, to state the WDC's additional duties. However, the additional duties and their scope are not clearly specified and overlap with some of the same responsibilities as the Director of the Department (Director) and could overlap and affect other departments such as the Department of Human Services, Division of Vocational Rehabilitation (DVR). For

example, section 2 of the bill proposes to amend section 202-2(a)(4) and (5) on page 3, lines 5-6, to provide that the WDC is responsible for assisting dislocated workers and vocational rehabilitation programs. However, under chapter 394B, HRS, the Director is required to establish a program to assist dislocated workers to obtain employment. Under chapter 348, HRS, DVR provides vocational rehabilitation services for people with disabilities seeking employment in accordance with federal laws, such as the Rehabilitation Act of 1973 (29 U.S.C. § 701, et seq.) and the Randolph-Sheppard Act (20 U.S.C. § 107, et seq.). It is unclear whether WDC would have oversight over DVR and whether such oversight would be in compliance with the federal requirements. We recommend that these provisions be clarified to avoid confusion and conflict in the application of the laws.

Additionally, section 372-5(4), HRS, states the Director shall approve and register apprenticeship programs, but on page 3, lines 3-4, section 2 of the bill proposes to amend section 202-2(a)(3) to provide that the WDC shall be responsible for registering and regulating apprenticeship programs. Without further clarification, the overlapping of duties could cause confusion and conflict in the application of the laws.

In addition to the above, the terms "statewide workforce development system" (page 3, line 1), "employment and training programs" (page 3, line 2), "vocational rehabilitation programs" (page 3, line 5), "youth employment programs" (page 3, line 7), and "federal workforce programs" (page 3, line 9) in the amendments made to section 202-2(a) by section 2 of the bill are unclear and do not specify the system and programs that WDC administers. We recommend that these terms be clarified.

Thank you for the opportunity to provide these comments.

JOSH B. GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR



STATE OF HAWAII  
KA MOKU'ĀINA O HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
KA 'OIHANA PONO LIMAHANA  
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JADE T. BUTAY  
DIRECTOR

WILLIAM G. KUNTSMAN  
DEPUTY DIRECTOR

JOVANIA DOMINGO DELA CRUZ  
EXECUTIVE DIRECTOR

IN REPLY, REFER TO:  
**OCS 24.** \_\_\_\_\_

February 6, 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 12, 2024  
Time: 3:15 p.m.  
Place: Conference Room 224, State Capitol & Videoconference

From: Jovanie Domingo dela Cruz, Executive Director  
DLIR – Office of Community Services

Position: Opposition

**Re: S.B. 560, S.D.1 - RELATING TO LABOR**

**I. OVERVIEW OF PROPOSED LEGISLATION**

This bill would transfer the Workforce Development Division of the Department of Labor and Industrial Relations (DLIR) to the Workforce Development Council, an entity that is administratively attached to DLIR.

**I. CURRENT LAW**

Currently, Workforce Development is under a division of DLIR. This bill would transfer its functions to the Workforce Development Council, which already exists as an attached agency of DLIR.

**III. COMMENTS ON THE BILL**

The Office of Community Services **respectfully opposes the bill**, because (1) OCS believes that the Workforce Development Division has been supportive of the needs of immigrant workers, which is a prime concern of OCS as well; and (2) because OCS understands that this bill would be contrary to federal law and policy as expressed in the Code of Federal Regulations, which contemplates that a Workforce Development Council (or Board) is supposed to operate in an advisory capacity, rather than an administrative capacity.

OCS notes that the Workforce Development Division recently obtained a grant of \$\_\_\_\_ million on behalf of workers on Maui, many of whom are immigrants, who were adversely affected by the wildfires last August. We believe that this division in our department has worked effectively to support immigrant workers, and there is no good reason to strip it of its role.

Separately, Workforce Development is supposed to be administered consistently with the federal Workforce Innovation and Opportunity Act (WIOA), P.L. 113-128 (2014) and its accompanying regulations. Title 20 section 679.110 of the Code of Federal Regulations makes it clear that a Workforce Development Board or Council is intended to function as an advisory body, not an administrative body. Such a board is to be composed of multiple members representing (a) business; (b) workforce; and (c) government. The current membership of the DLIR Workforce Development Council is FORTY-ONE members! Many of these persons have other full-time jobs; they include the Governor; the State's four mayors (who have appointed designees); the Superintendent of the Department of Education; the President of UH; the Directors of DLIR and DBEDT; and many others. (See attachment.)

Does it make sense to have a Council of this size be the administrative body overseeing the day-to-day operations of a working State agency? Clearly, this makes no sense at all. Especially in a situation where so many of these people have other obligations and can only spend small portions of their time and attention to the duties of the Council. Moreover, many of these people are designees of appointees. Who would have the actual administrative responsibility in a situation where disputes might arise?

For these reasons, we respectfully submit that this bill should be deferred.

Thank you very much for the opportunity to testify.

## WDC MEMBERS

The Workforce Development Council is a 41-member advisory commission comprised of both public and private-sector representatives, selected by the Governor to serve in staggered 4-year terms on the basis of their interest in and knowledge of workforce development programs in Hawaii and ways to support economic development throughout the state. Vacancies are pending appointments by the Governor.

*AS OF JULY 1, 2023*

### PRIVATE SECTOR

#### **Ken Loui**

*Chair, Workforce Development Council*

*Vice President, Pacific Marine*

#### **Manu Bermudes**

*Vice President, Human Resources, Hawaiian Dredging Construction Company*

**Jason Brand**

*President, Brand Industrial Group*

**Eileen Caldwell**

*Director of Human Resources, Marriott Hawaii and French Polynesia*

**Cheryl Cross**

*Principal Owner, C.A. Cross & Associates, LLC*

**Keith DeMello**

*Senior Vice President, Communications and External Affairs, Ulupono Initiative*

**Rona Fukumoto**

*President & CEO, Lanakila Pacific*

**Shelli Ihuri**

*Associate Director, Workforce Development, Hawaii Pacific Health*

**Derek Kanehira**

*Senior Vice President, Human Resources, Alexander and Baldwin*

**Sean Knox**

*President, Hawaii Employment Services, Inc.*

**Robert Lietzke**

*Vice President, Indo-Pacific Western Region, Booz Allen Hamilton*

**Trang Malone**

*Workforce Initiatives Manager, CVS Health*

**Cary Miyashiro**

*President, Quad D Solutions*

**Kelly Ueoka**

*President, Pacxa*

**LOCAL WORKFORCE DEVELOPMENT BOARDS**

**Jason Chang**

*Chair, Oahu Workforce Development Board*

*President, Queen's Medical Center*

**Rossella Guardascione**

*Chair, Hawaii County Workforce Development Board*

*Director of Human Resources, Kona Beach Hotel*

**Jackie Kaina**

*Executive Director, Kauai Economic Development Board*

**Leslie Wilkins**

*Chair, Maui County Workforce Development Board*

*President & CEO, Maui Economic Development Board, Inc.*

## LEGISLATURE

### **Andrew Takuya Garrett**

*Hawaii State Representative*

### **Stanley Chang**

*Hawaii State Senator*

## LABOR AND WORKFORCE TRAINING ORGANIZATIONS

### **Michael Anderson Jr.**

*Regional Director, Inland Boatman's Union of the Pacific*

### **Scott Collins**

*Hawaii Island Division Chief, Hawaii Government Employees Association*

### **Dion Dizon**

*Business Representative, International Brotherhood of Electrical Workers*

### **Carla Kurokawa**

*Manager, Employment and Training, Alu Like, Inc.*

### **Tui Scanlan**

*President, International Association of Stage and Theater Employees (IASTE) Mixed Local 665*

### **Lorna Woo**

*Director, Government Affairs, International Union of Painters and Allied Trades, District Council 50*

## MAYORS

### **Richard Bissen**

**(Designee: Luana Mahi)**

*Mayor, County of Maui*

### **Rick Blangiardi**

**(Designee: Andy Kawano)**

*Mayor, City and County of Honolulu*

### **Derek Kawakami**

**(Designee: Nalani Brun)**

*Mayor, County of Kauai*

### **Mitch Roth**

**(Designee: Doug Adams)**

*Mayor, County of Hawaii*

## THE GOVERNOR

### **Josh Green**

**(Designee: Blake Oshiro)**

*Governor, State of Hawaii*

## DIRECTORS

**Jade Butay**

**(Designee: David Rodriguez)**

*Director, Department of Labor & Industrial Relations*

**Lea Dias**

*Administrator, Division of Vocational Rehabilitation, Department of Human Services*

**Keith Hayashi**

**(Designee: Winston Sakurai)**

*Superintendent, Department of Education*

**David Lassner**

**(Designee: Della Teraoka)**

*President, University of Hawaii System*

**James Tokioka**

**(Designee: Dane Wicker)**

*Director, Department of Business, Economic Development, & Tourism*



## UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**THE SENATE KA 'AHA KENEKOA  
THE THIRTY-SECOND LEGISLATURE  
REGULAR SESSION OF 2024**

**COMMITTEE ON LABOR AND TECHNOLOGY**

Senator Henry J.C. Aquino, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

Monday, February 12, 2024, 3:15 PM  
Conference Room 224 & Videoconference

**Re: Testimony on SB560, SD1 – RELATING TO LABOR STANDARDS AT HEALTH CARE FACILITIES**

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

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. UPW also represents nearly 1,500 healthcare workers in the private sector.

UPW opposes SB560, SD1, which transfers the Workforce Development Division from being directly part of the Department of Labor and Industrial Relations (“DLIR”) to the Workforce Development Council (“WDC”), an entity that is administratively attached to the DLIR.

According to Section 1 of this bill, the intent of this measure is to transfer the responsibilities of DLIR’s Workforce Development Division (“WDD”), because “the legislature finds that core employment and training programs currently under the workforce development division of the department of labor and industrial relations would be more effective if made a part of the workforce development council.”

We respectfully disagree. The administrative transfer proposed in this bill, which includes the transfer of current civil service employees, will be disruptive, result in no significant change, and lead to statutory inconsistencies.

Mahalo for the opportunity to testify on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kalani Werner", is written over a light blue horizontal line.

Kalani Werner  
State Director

**HEADQUARTERS**

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# INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL UNION 1260 EMPOWERING THE PACIFIC

## SENATE COMMITTEE ON LABOR AND TECHNOLOGY

HEARING DATE: Monday, February 12, 2024  
TIME: 3:15 p.m.  
PLACE: State Capitol  
Conference Room 224

RE: **STRONG OPPOSITION** to Senate Bill 560 Relating To Labor

Aloha Honorable Chair Aquino, Vice Chair Moriwaki, and Members of the Committee;

The International Brotherhood of Electrical Workers Local 1260 (IBEW 1260) would like to respectfully offer testimony in **STRONG OPPOSITION** to Senate Bill 560.

IBEW 1260 is comprised of approximately 3,000 members representing Hawaii's electric utility companies as well as government service contracts and media personnel throughout Hawaii, Guam, and Wake Island. Our members include a diverse local workforce of dedicated, highly skilled, and trained individuals working 24 hours a day, 7 days a week, to generate, transmit, and distribute electricity throughout Hawai'i and to ensure the reliability and resiliency of this precious resource.

IBEW 1260 **STRONGLY OPPOSES** Senate Bill 560 which transfers 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.

IBEW 1260 maintains a state-approved apprenticeship program that will be directly and adversely impacted by this Bill. Apprenticeship programs are the backbone and lifeblood of trade unions, and we are concerned that any changes may jeopardize state oversight of this very important program as well as the various registered apprenticeship programs they currently oversee.

Hawaii Revised Statutes, Chapter 372, grants authority to the Director of the DLIR and the State Apprenticeship Council to approve apprenticeship programs and standards. IBEW 1260 has worked well and in partnership with the DLIR, the Workforce Development Division, and the State Apprenticeship Council as it currently exists, and sees no need and/or benefit for this change.

Mahalo for the opportunity to testify in **STRONG OPPOSITION** to SB560. IBEW 1260 respectfully requests that you HOLD this measure.



**HAWAII GOVERNMENT EMPLOYEES ASSOCIATION**  
AFSCME Local 152, AFL-CIO

**RANDY PERREIRA**, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Second Legislature, State of Hawaii  
The Senate  
Committee on Labor and Technology

Testimony by  
Hawaii Government Employees Association

February 12, 2024

S.B. 560, S.D. 1 — RELATING TO LABOR

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO strongly opposes S.B. 560, S.D. 1, which transfers 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.

This measure would essentially gut the Workforce Development Division within the State Department of Labor and Industrial Relations. We raise serious questions and concerns about the intent behind having the Workforce Development Council attain complete oversight and authority to hire, transfer, direct, promote, and discipline, among others, existing public employees, including civil servants, within the existing Workforce Development Division. Please note: The Council is comprised of 41 members from both the public and private sector—**it's a council of volunteers.** So, what is the intent behind this proposal? This proposal is illogical and fails the smell test and accordingly we urge that it be filed.

Thank you for the opportunity to provide testimony in opposition of S.B. 560, S.D. 1.

Respectfully submitted,

Randy Perreira  
Executive Director



# OPERATING ENGINEERS LOCAL UNION No. 3

2181 LAUWILIWILI STREET, KAPOLEI, HI 96707 • (808) 845-7871 • FAX (808) 682-0906

Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

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February 9, 2024

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

**RE: SB 560 SD1 Proposed- RELATING TO LABOR.**

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

Operating Engineers Local 3 **is strongly OPPOSED to SB 560- SD1 (Proposed)**

This bill proposes to remove Workforce Development Division (WDD) from the Department of Labor and Industrial Relations (DLIR) and transfer it to the Workforce Development Council (WDC), an entity that is administratively attached to DLIR. Therefore, the Workforce Development Council shall be responsible for registering and regulating private-sector, state, and county apprenticeship programs. We have concerns that this bill will reduce the input/voice of the unions/workers in the workforce development effort, by giving a private sector majority board responsibility over the Employment & Training Fund programs. This will create potential conflicts of interest.

Currently, the Workforce Development Division, under the DLIR, administers the apprenticeship program, including the registration and oversight of apprenticeship programs and apprentices. This current framework has served the State of Hawaii and organized labor in both the private and public sector well. It has provided an environment that has allowed Hawaii to maintain its middle-class by providing living wages for its citizens.

Lastly, the WDC administering registered apprenticeship programs create conflict with the federal apprenticeship law and regulations and would lead to the US DOL taking over apprenticeship in Hawaii. This potential loss of oversight to the Federal USDOL would lead to lower apprenticeship standards and oversight.

We humbly ask that the committee defer SB 560 SD1 Proposed.



Randy Perreira  
President

# HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441  
Fax: (808) 593-2149

The Thirty-Second Legislature  
The Senate  
Committee on Labor & Technology

Testimony by  
Hawaii State AFL-CIO

February 12, 2024

## TESTIMONY ON SB560 SD1 - RELATING TO LABOR

Chair Aquino, Vice Chair Moriwaki, and members of the committee:

The Hawaii State AFL-CIO is a federation of 74 affiliate labor organizations who represent over 68,000 union members within the State of Hawaii. The Hawaii State AFL-CIO serves its affiliates by advocating for workers and their families before the state legislature and other branches of state and county government.

The Hawaii State AFL-CIO in **opposition** of SB560 SD1. Our primary reason for opposition is that this bill would result in civil service Workforce Development Division employees to be supervised by non-civil service personnel which would include undue authority over personnel matters like hiring, promotions, classification, and discipline. This bill would also grant the WDC, which is comprised of a majority private sector employer representatives, the responsibility over the Employment and Training Fund program, which raises further concern about potential conflicts of interest and favoritism in any decision-making processes.

Furthermore, the placement of registered apprenticeship programs under the jurisdiction of the WDC conflicts with existing state law. Hawaii Revised Statutes, Chapter 372, grants authority to the Director of the DLIR and the State Apprenticeship Council to approve apprenticeship programs and standards. This conflicting oversight further jeopardizes compliance with federal apprenticeship laws and regulations, risking federal intervention in Hawaii's apprenticeship programs.

We urge you not to pass this bill as it presents serious concerns regarding personnel management and compliance with federal laws and regulations.

Respectfully submitted,

Randy Perreira  
President

**SB-560-SD-1**

Submitted on: 2/10/2024 9:15:23 AM

Testimony for LBT on 2/12/2024 3:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Pride at Work - Hawaii	Testifying for Pride at Work – Hawai‘i	Oppose	Written Testimony Only

Comments:

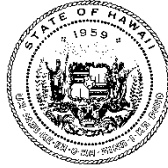
Aloha Senators,

Pride at Work – Hawai‘i is an official chapter of Pride At Work which is a national nonprofit organization that represents LGBTQIA+ union members and their allies. P@W-HI opposes SB 560 SD 1.

We stand in solidarity with our fellow labor ‘ohana and ask that you hold this bill committee.

Mahalo,

Pride at Work – Hawai‘i



**LATE**

STATE OF HAWAII  
HAWAII TEACHER STANDARDS BOARD

650 IWILEI ROAD, SUITE 268  
HONOLULU, HAWAII 96817

February 12, 2024

**WRITTEN TESTIMONY BEFORE THE SENATE COMMITTEE ON LABOR & TECHNOLOGY**

**PERSON TESTIFYING:** Mitzie Higa, Licensing Specialist, on behalf of the Hawai'i Teacher Standards Board

**DATE:** February 12, 2024

**TIME:** 3:15pm

**LOCATION:** Conference Room 224 and Video Conference

**TITLE OF BILL:** SB 560 RELATING TO LABOR

**PURPOSE OF BILL:** Transfers 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. (SD1)

**POSITION:** Opposes SB 560 SD1

**Chair Aquino, and Members of the Committee:**

**The Hawai'i Teacher Standards Board (HTSB) strongly opposes SB560 SD1, relating to labor.**

HTSB strongly opposes this measure that transfers the Workforce Development Division (WDD) to the Workforce Development Council (WDC), which is placed within the DLIR for administrative purposes and acts in an advisory capacity to the Governor. **Please refer to the Department of Labor and Industrial Relations on further points they make, and we agree that the expertise needed for apprenticeship programs are already in place under WDD and DLIR, and the Registered Teacher Apprenticeship Program we are in the process of creating under WDD and DLIR is under jeopardy with this bill.**

As we understand it the workforce programs are administered by the WDD are complicated and complex. This proposal would have oversight by a 41-member private-sector led board without subject matter expertise in the programs, state human resources policies and procedures, federal fiscal administrative requirements, cost principles & audit requirements, and procurement, among other matters. The board does not have technical expertise and understanding of the nuances and subtleties of these programs and compliance processes that can only be developed over long periods of time, which ultimately exposes the State to increased liability. **This measure would dilute the Governor's authority over all federal and state programs currently operated by the WDD by removing the Director and inserting a 41-member board to have direct oversight of those programs.** What is the mechanism for accountability to the public, taxpayers, and stakeholders of those programs? Where is the accountability and to whom? The measure appears to require the Governor to pursue removal or suspension for cause after due notice and public hearing, which is tenable for malfeasance, misfeasance, and nonfeasance and similar matters. To effect

policy changes, the Governor may need to wait to accrue a majority within the 41 members, which may be halfway or more through the Governor's four-year term as the board members themselves serve for four years. This measure has the potential to further erode the public's confidence in government and ethical standards by inserting political appointees into direct oversight of programs, funding decisions, procurement, and service delivery to low-income persons and vulnerable communities intended by federal workforce funding. Placing the numerous federal and state programs administered by the WDD also raises issues regarding equity & access, contravention of federal employment law and regulations, and the creation of conflicts of interest in the oversight of state personnel as well as state and federal funds.

Moreover, the proposed additions to the duties of the WDC under §202-2 are ambiguous and potentially create conflicts in the administration of various laws and jeopardize federal funding and federal takeover of programs like Hawaii's Registered Apprenticeship Programs.

The Hawai'i Teacher Standards Board asks that you please refer to the Department of Labor and Industrial Relations testimony for more insight. HTSB does not want to jeopardize a grant just received by DLIR last year to support new apprenticeship programs such as the one we are creating with them for a Registered Teacher Apprenticeship Program, and another competitive federal grant we are resubmitting this year to support a Registered Teacher Apprenticeship Program which is now federally recognized, and we have the opportunity to start this program now under DLIR. This current bill would jeopardize our plans.

**SB-560-SD-1**

Submitted on: 2/12/2024 7:48:07 AM

Testimony for LBT on 2/12/2024 3:15:00 PM



Submitted By	Organization	Testifier Position	Testify
Nathaniel Kinney	Testifying for Hawaii Regional Council of Carpenters	Oppose	In Person

Comments:

HRCC is opposed to this measure as it would place registered apprenticeship programs under the Council which conflicts with Chapter 372 Apprenticeship wherein the Director, with the assistance of the State Apprenticeship Council, approves apprenticeship programs, standards and agreement. Also the Council administers registered apprenticeship which creates conflict with the federal apprenticeship law and regulations and would lead to the US DOL taking over apprenticeship in Hawaii.





Rosalee Agas Yuu, RN  
President

1600 Ala Moana Blvd Suite 100  
Honolulu, HI 96815

Tel: (808) 531-1628  
Fax: (808) 524-2760

The Thirty-Second Legislature, State of Hawai'i  
Hawai'i State Senate  
Committee on Labor & Technology

Testimony by  
Hawaii Nurses Association  
February 12, 2024

SB560 SD1 – Transfers 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.

DATE; Monday February 12, 2024

TIME: 3:15 PM

PLACE: Conference Room 224

Chair Aquino, Vice Chair Moriwaki, and esteemed committee members:

The Hawaii Nurses Association -OPEIU Local 50 is affiliated with the AFL-CIO and was founded in 1917 and we represent 4,000 nurses in the State of Hawai'i.

We stand against the enactment of SB560 SD1. Our opposition stems from concerns that the bill would allow non-civil service individuals to oversee civil service employees within the Workforce Development Division, including significant control over critical personnel decisions such as appointments, promotions, job classifications, and disciplinary actions. Additionally, the bill proposes assigning control of the Employment and Training Fund program to the WDC, predominantly made up of private sector employers, raising alarm over potential bias and conflict of interest in decision-making.

Moreover, assigning control of registered apprenticeship programs to the WDC contradicts current state statutes. Specifically, Hawaii Revised Statutes, Chapter 372, which designates the DLIR Director and the State Apprenticeship Council as the approving authorities for apprenticeship agreements and criteria, creating a potential conflict with federal apprenticeship guidelines and risking federal oversight interference in Hawaii's apprenticeship initiatives. We strongly recommend against the approval of this legislation due to its potential to negatively impact workforce management practices and its risks of conflicting with established federal standards.

Respectfully,

Rosalee Agas-Yuu  
President



# HAWAII WORKERS CENTER

Defending and Respecting the workers of  
Hawaii'i

**LATE**

(503) WORKERS ☎  
(503) 967- 5377 ☎

[hawaiiworkerscenter@gmail.com](mailto:hawaiiworkerscenter@gmail.com) ✉

Mail: 2252 Puna St., Honolulu, HI 96817 ✉

[hawaiiworkerscenter.org](http://hawaiiworkerscenter.org) 🌐

February 12, 2024

Hawaii'i State Senate  
Committee on Labor and Technology  
Senator Henry J.C. Aquino, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

**Executive Board  
Committee**

Rev. Sam Domingo  
*Board Chair*

Mary Ochs  
*Vice Chair*

Dr. Arcelita Imasa  
*Secretary*

John Witeck  
*Treasurer*

**Board Members**

Yoko Liriano

Nanea Lo

Innocenta  
Sound-Kikku

Ray Catania

Justin Jansen

Leyton Torda

**Executive Director**  
Sergio Alcubilla III, Esq.

RE: OPPOSE for S.B. 560 RELATING TO LABOR.

Dear Chair Sen. Aquino, Vice-Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology:

The Hawaii'i Workers Center (HWC) envisions a Hawaii'i in which all workers are empowered to exercise their right to organize for their social, economic and political well-being. It is a resource of information, education, training and organizing for Hawaii's workers.

The HWC stands in opposition of S.B. 560 which transfers 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.

It is imperative that the interests of workers and working class communities are prioritized. The council is a 41-member advisory commission comprised of both public and private-sector representatives, who are selected by the Governor to serve in staggered 4-year terms on the basis of their interest in and knowledge of workforce development programs in Hawaii and how to support economic development throughout the state.

It would be cumbersome for this advisory council to take on the duties as listed under S.B. 560 along with other potential conflict of interests that member representatives may have as related to the best interests of workers. As such, the Workforce Development Division should continue to remain under the purview of the DLIR with the Council's advisory role playing an important part.

We ask that you defer S.B. 560 or in the alternative, conduct a study of how the Workforce Development Council and the experience and expertise of its members be better utilized.

Sincerely,

Sergio Alcubilla  
Executive Director

**LATE**

February 9, 2024

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

**RE: SB 560 SD1 Proposed- RELATING TO LABOR.**

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

My name is Aaron Tilton. I am the State Administrator for Operating Engineers Local 3 Hawaii Joint Apprenticeship Committee. We are the largest Construction Trades Local in the United States. I and the members of Operating Engineers Local 3 **are strongly OPPOSED to SB 560- SD1 (Proposed)**

This bill proposes to remove Workforce Development Division (WDD) from the Department of Labor and Industrial Relations (DLIR) and transfer it to the Workforce Development Council (WDC), an entity that is administratively attached to DLIR. Therefore, the Workforce Development Council shall be responsible for registering and regulating private-sector, state, and county apprenticeship programs. We have concerns that this bill will reduce the input/voice of the unions/workers in the workforce development effort, by giving a private sector majority board responsibility over the Employment & Training Fund programs. This will create potential conflicts of interest.

Currently, the Workforce Development Division, under the DLIR administers the apprenticeship program, including the registration and oversight of apprenticeship programs and apprentices. This current framework has served the State of Hawaii and organized labor in both the private and public sector well. It has provided an environment that has allowed Hawaii to maintain its middle-class by providing living wages for its citizens.

Lastly, the WDC administering registered apprenticeship programs create conflict with the federal apprenticeship law and regulations and would lead to the US DOL taking over apprenticeship in Hawaii. This potential loss of oversight to the Federal USDOL would lead to lower apprenticeship standards and oversight.

We humbly ask that the committee defer SB 560 SD1 Proposed.



Aaron Tilton  
State Administrator  
Hawaii Operating Engineers Local 3 JAC

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**TESTIMONY IN STRONG OPPOSITION TO SB 560, SD1**  
**Senate Committee on Labor and Technology**

February 12, 2024, 3:15 pm

Hawai`i State Legislature  
Hawai`i State Capitol, Conference Room 224

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**To:** Chair Henry J.C. Aquino  
Vice Chair Sharon Y. Moriwaki  
Senate Committee Members on Labor and Technology: Senators Kurt Fevella,  
Les Ihara Jr., and Chris Lee

**From:** Agnes Malate, PhD  
armalate@yahoo.com

My name is Agnes Malate and I am in strong opposition to SB560 SD1 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.

I serve as the Director of the University of Hawai`i at Mānoa Health Careers Opportunity Program (UHM HCOP) whose mission is to "build a diverse healthcare workforce for a healthy community." I was excited to have UHM HCOP approved to participate as a host and receive the additional assistance of the two DLIR Hele Imua interns to carry out our mission in 2023. I could not be more pleased with the work and contributions of the interns to the day-to-day operations of the program and two major projects, a community health fair and a summer health camp for 40 rising 12th-grade students. The interns thrived in their role as Program Assistant and Website and Social Media Developer, and we mutually agreed to extend their internships into the summer. Shortly after their internships, one was offered positions within two State departments.

UHM HCOP provided the interns with the opportunity to learn about the inner workings of a state agency and the practical experience needed to qualify for jobs in the public and private sectors. Beyond these, they learned valuable experience collaborating, working with teams, developing and nurturing relationships, receiving and providing constructive feedback, and communication skills. As the supervisor for the interns and interactions with State government departments and attached agencies in my community work related to COVID-19 and Maui wildfire response, I have a greater understanding and appreciation for the government's role and operations. I believe it would be shortsighted for the WDD to be transferred to the Workforce Development Council (WCC), which is an attached agency. The public good is best served to keep WDD reporting directly to DLIR.

I respectfully urge the members of the Senate Committee on Labor and Technology to reject SB 560. Thank you for this opportunity to provide testimony,

*Although I am an employee of UHM, this testimony reflects my personal position and is not the official position of the University of Hawai`i.*

**LATE**



2/12/2024

Please accept this written testimony SB 560 Relating to Labor and the removal of the Workforce Development Division(WDD) from the Department of Labor and Industrial Relations(DLIR) and transfer to the Workforce Development Council.

I am submitting this testimony specifically as it related to the guidance and support received as an employer administering several registered apprenticeship programs for trades positions at Kauai Coffee. Kauai Coffee is in a unique position of being an employer who administers apprenticeships rather than a trades union. The technical guidance and support currently received by DLIR/WDD is critical to Kauai Coffee to properly administer these programs to develop skilled workers in essential operational support positions.

Apprenticeships programs, such as ours, meet Federal standards in program components through DLIR/WDD including the approval and registration of our program by a designated agency giving the program key credibility in the labor marketplace. In anticipation of the reassignment, where is the Workforce Development Council in relation to being designated an approved agency? If it is not recognized as the designated State Apprenticeship Agency, will current programs then be under the oversight of the US Department of Labor's Office of Apprenticeship? What impact will this have on the continuation of established programs to continue to meet these standards without interruption? The concern is that tinkering with the administrative structure of the current State Apprenticeship Program may interrupt and delay the effective level of support that we currently have and that is key to continuing to meet our workforce needs in this challenging labor market.

While it might seem natural that the work of DLIR/WDD aligns with the kuleana of the Workforce Development Council, sweeping legislation without clear understanding and assurance of a continued level of support amidst such a change for existing programs is a concern. I submit this testimony, opposed to SB 560.

Sincerely,

A handwritten signature in black ink that reads "Pamai Cano". The signature is written in a cursive, flowing style.

Pamai Cano  
Sr Human Resources Manager  
Kauai Coffee Company, LLC

**SB-560-SD-1**

Submitted on: 2/11/2024 12:04:40 PM

Testimony for LBT on 2/12/2024 3:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alan S. Hayashi	Individual	Support	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 SB560 SD1 on February 12, 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 proposed legislation regarding (Ethics/Conflict of interest policy, WDC Board Composition, Governor’s appointment of the Chairperson).

1. I do feel the current and some proposed legislative structure of WDC and the interpretation of some provisions by DLIR staff are destructive to the WDC, with its ability and extensive capability, to perform its function and attract new high-powered members. In short, I recommend the 2024 Legislature return the WDC to its original structure and allow it to function to full capability. If the proposed SB2351 SD1/SD2

cannot be passed to enable the WDC to function as an effective body, I support the wisdom and will of this legislature and fully **support passage of SB560 SD1.**

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. believe there is language in the Federal act (WIOA) that allows utilization of designation as either "Council", or "Board". Additionally, if the WDC is to oversee Workforce Development training programs, it will need the ability to hire staff to perform this function, and must be enabled to do so by restoring budget line and hiring authority.
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 if it is 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!



# IATSE Local 665 HAWAII'S TECHNICIANS

**LATE**



for  
**FILM, TELEVISION, STAGE AND PROJECTION**  
Since 1937

**INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS  
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC**

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The Thirty-Third Legislature, State of Hawai'i  
Hawai'i State Senate  
Committees on Labor and Technology

**HEARING DATE, TIME AND ROOM: Monday, 02/12/24 at 3:15pm in Room 224 and Via Zoom**

**RE: SB560 SD1 – RELATING TO LABOR**

Aloha, Chair Aquino, Vice Chair Moriwaki and Members of the Committee –

The IATSE is the largest entertainment union in the world, and Local 665 is its Hawai'i Chapter with nearly 800 members and 700 future members who reside across all Hawaiian Islands. We work behind the scenes on film, television, live events and tradeshow.

MAHALO for the opportunity to testify in **opposition of SB560, SD1**. We oppose this bill as it would allow civil service Workforce Development Division employees to be supervised by non-civil service personnel who would have undue authority over personnel matters such as hiring, promotions, classification and discipline. This breaks with the effectiveness and morale of a proper chain of command. Additionally, this bill would grant the WDC, which is comprised of a majority of private sector employer representatives, the responsibility over the Employment and Training Fund program. There is a concern of potential conflicts of interest and bias in any decision-making processes and procedures.

Furthermore, the placement of registered apprenticeship programs under the jurisdiction of the WDC conflicts with existing state law. Hawai'i Revised Statutes, Chapter 372, grants authority to the Director of the DLIR and the State Apprenticeship Council to approve apprenticeship programs and standards. This conflicting oversight further jeopardizes compliance with federal apprenticeship laws and regulations, risking federal intervention in Hawai'i's apprenticeship programs.

Please do not pass SB560 SD1 as it presents serious concerns regarding personnel management and compliance with federal laws and regulations.

Respectfully,

**Irish Barber**

Irish Barber  
Business Representative  
Mobile: (808) 479-1770



**LATE**

To: Hawaii Senate Committee on Labor and Technology  
Hearing: SB560, SD1  
Date: Monday, February 12, 2024  
Time: 3:15 p.m.  
From: Leslie Wilkins  
Position: Support

Dear Chair Aquino, Vice Chair Moriwaki, and Committee Members,

I am providing testimony as a private citizen, who is a past chair of the State Workforce Development Council, and is a currently serving member as designated by state statute. I am in favor of restructuring the Workforce Development Council, as its current structure is ineffective and its compliance with the federal authorizing legislation of the Workforce Innovation and Opportunity Act (WIOA) is highly questionable.

WIOA sets out that a majority of the members of both State and Local Workforce Development Boards must be representatives of business in the local area. Each business representative must meet the following criteria:

- (1) Be an owner, chief executive officer, chief operating officer, or other individual with optimum policy-making or hiring authority; and
- (2) Provide employment opportunities in in-demand industry sectors or occupations, as those terms are defined in [WIOA](#) sec. 3(23), which looks to the County and State Comprehensive Economic Development Strategies (CEDS) to inform in-demand sectors.

The Governor, as the appointing authority, has appointed our business leaders to the WDC, but unfortunately their talents, insights, and time have been grossly underutilized, which is circumventing the foundational intent of WIOA and causing key leaders to step down. Much of this is a result of the 2021 legislative action that removed WDC as a line item in the state budget and transferred its positions, authority, and funding under a division of DLIR. Thus decision-making, contracting decisions, performance evaluations, and staffing are being made by government employees and not the private sector leadership. WDC must be reinstated in the budget and assume the oversight the federal legislation mandates and the state law outlines.

Hawaii needs an integrated education to workforce pipeline, with all entities working in concert, which is informed and driven by those who create jobs and strengthen the economy---our businesses. The Workforce Development Council is a body to provide a platform for that integrated approach.

I will work with this Committee and others on any amendments to this bill to assure smooth transition, compliance with federal mandates, necessary separation of duties/funding, and state statutes.

Thank you for this opportunity,

Leslie Wilkins, [lesliewilkins1@gmail.com](mailto:lesliewilkins1@gmail.com)

**LATE**

Ken H Loui  
816 Ekoa Place  
Honolulu, HI 96821

Subject: Testimony for S.B. No. 560 SD1

As the current Chair of the State of Hawaii Workforce Development Council (WDC), I support Senate Bill 560, SD1.

Specifically, I support the language that clearly defines that the WDC is administratively attached to the Department of Labor and Industrial Relations and broadens its duties to improve workforce and economic development for the State of Hawaii.

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, non-profit organizations and businesses. Unfortunately, the duties and powers of the WDC have been weakened and adversely impacted by the removal of its program identification number in 2021 as well as by proposed legislation in this current session which has had a discouraging effect. We need the leaders of our community, from both the public and private sectors, to feel that participation in our workforce development system is a worthwhile endeavor because their input and contributions will make a difference. Restoring and broadening the Council's powers and duties is a positive step to help achieve this goal.

Sincerely,  
Ken H Loui  
Chair, Workforce Development Council

**LATE**

**SB-560-SD-1**

Submitted on: 2/11/2024 9:21:22 PM

Testimony for LBT on 2/12/2024 3:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cary Miyashiro	Individual	Support	Written Testimony Only

Comments:

Chair Senator Aquino, Vice Chair Senator Moriwaki and committee members.

My name is Cary Miyashiro, Vice Chair Workforce Development Council (WDC).

I am personally writing this testimony in support of SB560.

It has been unclear to me, why a policy advisory council (WDC) was placed under an operational section the Workforce Development Division.

WDC members are appointed by the Governor and confirmed by Senate consisting of private and public sectors including labor trade unions. WDC members are best positioned in various business and economic venues to advise on developing and creating innovative options to move the state forward. SB560 will give us greater oversight and enable us to lead and determine Hawaii's future. It gives us a better position within the business community to implement training and employment programs. To be effective training and employment needs to be done by practitioners rather than hired trainers.

Reestablishing the program identification number will allow us to expedite and implement fresh and new ideas funding programs and the needed personnel for implementation.

Thank you for your consideration.

**LATE**

Honorable Members of the Legislature,

I am writing to express my strong opposition to the proposed bill, "A BILL FOR AN ACT RELATING TO LABOR." While the bill aims to transfer the Workforce Development Division from the Department of Labor and Industrial Relations to the Workforce Development Council, I believe that such a transfer would be detrimental to the effective administration of workforce development programs in the state of Hawaii.

The Workforce Development Council is a 41-member advisory commission comprised of both public and private-sector representatives, selected by the Governor to serve in staggered 4-year terms. As such, I am deeply concerned about the potential for conflicts of interest, political influence, insufficient oversight and accountability, and a lack of continuity and stability inherent in the proposed transfer.

Of particular concern is the provision that grants the Workforce Development Council the authority to "prescribe the duties and qualifications of these employees and fix their salaries without regard to chapter 76, Hawaii Revised Statutes." Chapter 76 relates to Civil Service Law, which is intended to protect the rights and interests of public employees and ensure fair and transparent employment practices.

The irony of granting the Workforce Development Council the authority to bypass civil service laws while overseeing workforce development efforts cannot be overstated. The very purpose of workforce development is to ensure fair and equitable employment opportunities for all individuals, yet allowing the council to operate outside the framework of civil service laws undermines these fundamental principles.

Granting the Workforce Development Council unchecked authority over employment practices, including the determination of duties, qualifications, and salaries, without adherence to civil service protections, raises serious questions about fairness, transparency, and accountability. It creates the potential for favoritism, nepotism, and political influence in employment decisions, undermining the integrity and effectiveness of the workforce development programs.

It is essential to maintain the principles of merit-based employment, equal opportunity, and employee rights enshrined in civil service law to ensure the professionalism, efficiency, and integrity of the state's workforce development efforts.

In conclusion, I urge you to reconsider the proposed transfer of the Workforce Development Division to the Workforce Development Council and to reject any provisions that undermine the protections afforded by civil service law. Instead, I encourage you to explore alternative solutions that prioritize transparency, accountability, and fairness in the administration of workforce development programs.

Thank you for considering my concerns regarding this important matter.

Sincerely,

Alison Higa