



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 24, 2015

To: The Honorable Sylvia Luke, Chair,
The Honorable Scott Y. Nishimoto, Vice Chair, and
Members of the House Committee on Finance

Date: Thursday, February 26, 2015
Time: 3:00 p.m.
Place: Conference Room 308, State Capitol

From: Elaine N. Young, Acting Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 520 HD1 Relating to Workforce Development

I. OVERVIEW OF PROPOSED LEGISLATION

HB520HD1 adds a new section to chapter 371, Hawaii Revised Statutes (HRS), to allow the director of the DLIR (department) to establish workforce advisory boards.

The federal Workforce Innovation and Opportunity Act (WIOA), enacted on July 22, 2014, will take effect on July 1, 2015. It is an extensive legislative improvement of the public workforce system and will help put Americans back to work.

To provide leadership in the implementation of WIOA, the Legislature finds it necessary to allow the director of the department to establish workforce advisory boards that will bring together partners, stakeholders, employers, and educators through various advisory boards for the purpose of carrying out the provisions of the federal law.

The department supports the measure as long as its passage does not replace or adversely affect priorities identified in the Executive Budget.

II. CURRENT LAW

Chapter 371 pertains to the department and does not include a provision allowing the director to establish workforce advisory boards.

III. COMMENTS ON THE HOUSE BILL

The department agrees that implementation of WIOA will require extensive partnership building among government and private stakeholders to develop a highly coordinated and customer-focused delivery system. Federal officials recently emphasized the great importance of meeting with partner programs and businesses to build meaningful partnerships that lead to gainful, high-wage employment. This will take extensive and in-depth planning and continued communication.

For these reasons, the department supports this measure provided that sufficient funds are appropriated and its passage does not replace or adversely impact priorities identified in the Executive Budget.

Hawaii State Legislature
House Committee on Finance
Hawaii State Capitol; Room 308

3:00 pm on February 26, 2015

Good afternoon Chair Luke, Vice Chair Nishimoto.

My name is Keala Benz and I am a small business owner and a member of the Oahu Workforce Investment Board. My employees and clients represent one of the largest industries in Hawaii. Our industry has many opportunities and challenges facing it on the near horizon.

I am **OPPOSED** to HB520, HD1.

Hawaii receives federal dollars for a system of workforce boards. There is one in each county. These boards are federally mandated to work on sector strategies and skills panels for various industries. These boards exist throughout the United States.

The federal Workforce Innovation and Opportunities Act (WIOA) even has a state council that supports the local workforce boards accomplish their work. Together, they have a track record of doing things for youth, job seekers, and businesses in all industries.

Why do we need more boards when we already have great workforce boards in place in all counties as mandated by federal law?

To create a parallel system of boards will create confusion and detract from Hawaii's ability to meet the federal intent of WIOA. WIOA does not mandate the creation of more boards. WIOA mandates that a wide variety of businesses, education organizations, community groups, unions, and others participate.

Why not invest general funds to strengthen WIOA instead of using precious general funds to create a duplication of a system that already exists?

I urge you not to pass this bill.

Thank you.

Brian Keala Benz



KAUAI WORKFORCE
INVESTMENT BOARD



Maui Workforce Investment Board
Representing Lanai, Molokai and Maui Islands



County of Hawai'i
WORKFORCE INVESTMENT BOARD

O'ahu **Workforce** Investment Board
• Making workforce connections

LATE

State of Hawaii
House of Representatives
The Twenty-Eighth Legislature

Committee on Finance
February 26, 2015
Hawaii State Capitol; Room 308

Good afternoon Chair Luke, Vice Chair Nishimoto and members of the House Committee on Finance. My name is Jim Tollefson and I am the Chairman of the Board of the Oahu Workforce Investment Board.

This testimony is presented on behalf of the Workforce Investment Boards of the Kauai, Maui, Hawaii Island and Oahu.

We are here to provide **INFORMATION** related to **HB520, HD1**.

The federal Workforce Innovation and Opportunities Act (WIOA) was signed by President Obama on July 22, 2014. It is the result of tremendous bipartisan compromise and diligence. It is seen as the reauthorization of the federal Workforce Investment Act of 1998 (WIA).

Background -- Workforce Investment Act of 1998 (WIA):

When WIA was passed in 1998, then U.S. Secretary of Labor Alexis Herman stated, in part, that the passage of the federal Workforce Investment Act established a

"(s)trong role for local boards and the private sector. Local boards will become business-led 'Boards of Directors' for the local areas. By relieving them from 'nitty gritty' operational details, the Act insures they will be able to focus on strategic planning, policy development and oversight of the local system...In the new system, **the local level remains key for policy and administrative decisions**..." Its membership is determined by a detailed formula contained in the federal Workforce Investment Act of 1998. More than 50% of board members are required to be from the business sector. (emphasis added, US DOL website)

Background – Workforce Innovation and Opportunities Act of 2014 (WIOA)

WIOA is the “reauthorization” of WIA.

Its federally established local boards and have functions detailed in federal law.

The local boards are empowered by federal law to implement their functions.

WIOA mandates its local workforce boards the following functions:

1. Workforce research and regional labor market analysis
2. Convening, brokering, leveraging stakeholders of the workforce industry
3. Promote and develop linkages between business and training
4. Career pathways development (sector strategies)
5. Identify promising practices
6. Develop strategies for using technology
7. Selection of its one-stop operator(s)/providers
8. Oversight of one-stop operator (budget, policies, mgmt, performance, etc.)
9. Identification and approval of eligible training providers
10. Develop and submit the Local Plan to the Governor/US DOL

WIOA provides federal funds to support its WIOA boards' structure.

WIOA empowers Mayors to appoint members to their local workforce investment boards.

WIOA does **not** require states to establish a board system separate from the WIOA boards structure.

Background: Hawaii's Local Workforce Boards:

Currently in Hawaii, there are four existing local workforce boards:

1. Kauai Workforce Investment Board
2. Maui Workforce Investment Board
3. Hawaii County Workforce Investment Board
4. Oahu Workforce Investment Board

Each of these local boards were established by WIA back in 1998.

Each of these local boards are currently implementing WIOA.

Per federal law (WIA and now WIOA) mandate, its members were/will be appointed by the Mayor of their respective County.

Per federal law (WIA and now WIOA) mandate, each of these existing boards have and will continue to bring together partners, stakeholders, employers and educators.

Per federal law (WIA and now WIOA) mandate, these existing local boards are tasked to coordinate and align workforce programs and develop strategies to meet worker and employer need.

Per federal law (WIA and now WIOA) mandate, these existing local boards shall engage employers across the workforce system to align training with needed skills and match employers with qualified workers,

Per federal law (WIA and now WIOA) mandate, these existing local boards oversee new and incumbent worker training and transitional jobs that promote worker-based training.

Per federal law (WIA and now WIOA) mandate, these existing local boards align performance indicators for core programs, and add new ones related to services and post-secondary credential attainment.

Per federal law (WIA and now WIOA) mandate , these existing local boards oversee and set policies for their workforce development systems.

WIOA existing local workforce boards Mandated by WIOA: Yes	State Proposed HB520, HD1 Mandated by WIOA: No
<ol style="list-style-type: none"> 1. Workforce research and regional labor market analysis 2. Convening, brokering, leveraging stakeholders of the workforce industry 3. Promote and develop linkages between business and training 4. Career pathways development (sector strategies) 5. Identify promising practices 6. Develop strategies for using technology 7. Selection of its one-stop job center operator(s)/providers 8. Oversight of one-stop job center operator (budget, policies, mgmt, performance, etc.) 9. Identification and approval of eligible training providers 10. Develop and submit the Local Plan to the Governor/US DOL <p>Funding Source: Federally Funded via WIOA</p> <p>WIOA Boards currently exist, are implementing WIOA and are appointed by the Mayors</p>	<ol style="list-style-type: none"> 1. Coordinate and align workforce programs 2. Engage employers across the workforce system to align training with needed skills and match employers with qualified workers 3. Provide new and incumbent worker training and transitional jobs that promote worker-based training 4. Align the performance indicators for core programs, and add new ones related to services to employers and post-secondary credential attainment <p>Funding Source: Unknown</p> <p>Not clear how would work with federally mandated WIOA local sector strategies and WIOA mandated board functions.</p>

Thank for allowing us to provide this information to the House Committee on Finance.

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House Committee on Finance
Hawaii State Capitol; Room 308

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I urge you not to pass this bill.

Thank you.

Brian Keala Benz

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 25, 2015 4:23 PM
To: FINTestimony
Cc: randy@kauaichamber.org
Subject: Submitted testimony for HB520 on Feb 26, 2015 15:00PM

LATE

HB520

Submitted on: 2/25/2015

Testimony for FIN on Feb 26, 2015 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Randall Francisco	Kauai Chamber of Commerce	Oppose	No

Comments: The Workforce Investment Boards are doing a great job already as was unequivocally demonstrated during this recent recession. Thus, this effort not only duplicates what was already a success but, more importantly, creates another vehicle intended for the same results. The business community can only do so much to volunteer and give of our time and energy to these kinds of requests by various government agencies besides serving on other boards and commissions. We strongly oppose this legislation.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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