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December 8, 2017

The Honorable Ronald D Kouchi,
President and Members of the Senate
Twenty Ninth State Legislature
State Capitol, Room 409
Honolulu, HI 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Twenty Ninth State Legislature
State Capitol, Room 431
Honolulu, HI 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting two (2) copies of the Department of Labor and Industrial Relations (DLIR) Workforce Development Council Report for the fiscal year ending June 30, 2017, as required by section 202-10, Hawaii Revised Statutes (HRS).

In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at <http://labor.hawaii.gov/find-a-report/>.

Sincerely,



Linda Chu Takayama
Director

Enclosures

FY 2016- 2017 Workforce Development Council Annual Report
Department of Labor and Industrial Relations
July 1, 2016 – June 30, 2017

The Workforce Development Council (WDC) is administratively attached to the Department of Labor and Industrial Relations (DLIR), and consistent with federal and state law, assists the Governor with development and modification of the Hawaii unified workforce development system plan and administrative oversight responsibilities. WDC is the Governor designated administrative entity to implement the Workforce Innovation and Opportunity Act (WIOA) of 2014. The Hawaii workforce development system must provide extensive services and programs to employers competing in the market economy, career/job seekers new to the workforce, those wanting career advancement for a living wage, those facing multiple-challenges to entering the workforce and those who have depleted their allotted unemployment benefits and are still seeking employment.

The 41-member WDC is comprised of majority private business leaders and includes labor, workforce, Native Hawaiian, and representatives from the offices/departments of the Governor, State Senate, House of Representatives, County Mayors, Department of Education's Superintendent, University of Hawaii's President, Department of Human Services, Department of Business, Economic Development and Tourism, DLIR, and the County Workforce Development Boards.

Hawaii's American Job Center System

American Job Centers (AJCs) in all four counties provide services to local businesses, and employed and unemployed job seekers. County governments, took the lead with organizing service providers in delivering various employment and training services to customers. Each of the four local areas maintains commitments and partnerships with many businesses, academic partners, and state and local government officials. The Local Workforce Development Boards, with support from local elected officials and state and local partners oversees WIOA programs and services in their respective local areas.

FY16 WIOA Participation Summary

Hawaii's WIOA program served eligible adults, dislocated workers, and youth (ages 14-24) through its AJC network. Center resources were used to help unemployed and underemployed workers learn new skills and acquire employment. Within the AJCs the WIOA programs provided comprehensive skills assessments, counseling and career planning, basic skills and occupational training, access to labor market information, job search and placement assistance to increase employment, employment retention and earnings of participants.

- WDC maintains the statewide participant management information system known as HireNet (Hirenethawaii.com). The system includes a website where career and job seekers, and employers are able to access comprehensive labor market information so that they may target their job search and learn more about wages and locations of jobs in Hawaii. The system allows registered employers to match job openings with resumes that have been posted by recently unemployed individuals and those looking for new jobs. HireNet served 17,382 adults and 402 youth ages 14 to 21 years old, including out-of-school and in-school youth.

- WIOA emphasizes services to individuals with barriers to employment. For the adult program services were provided to 176 disabled individuals and 185 veterans, including disabled veterans.
- Individuals receiving employment services ranged from those with an education level of completing the third grade to three years of college or a technical or vocational school. Of these, six (6) completed the third grade, six (6) completed the seventh grade, 84 completed the eighth grade, 147 completed the ninth grade, 175 completed the tenth grade, 83 completed the eleventh grade, and 173 completed the twelfth grade and did not receive a diploma or equivalent, while 655 graduated from high school with diplomas.
- Through employment services that included training and education, 181 adults and dislocated workers received credentials applied towards their employment.
- WIOA now tracks retention rates of up to twelve months of employment. There were 276 adults and dislocated workers who were placed in jobs and new careers who stayed with their employer for one year.
- The youth that were served showed increased measurable skill gains. Fifty-three (53) attained secondary school diploma or equivalency. Forty-Five (45) achieved at least one educational functioning level of a participant who is receiving educational instruction below post-secondary level. Twenty-three (23) earned a transcript or report card for either secondary or post-secondary education that shows they met the state academic standards.
- The majority of the participants in the adult and dislocated worker programs were female while more male participated in the youth program.

Federal and State Funding

In spite of a declining unemployment rate and revived economy, during FY17 (July 1, 2016 through June 30, 2017), Hawaii received a total of \$6,063,032 for the federal adult, dislocated worker and youth programs which was an increase of \$142,820 from the previous year's allotment. It is anticipated that federal funding will decrease in the next fiscal year. In a strong show of support for the WDC and the efforts to improve the workforce delivery of services, the Hawaii State legislature appropriated \$462,000 in general funds to WDC to assist in the implementation of WIOA.

WDC was awarded \$1.1 million by the USDOL Reemployment & System Integration Dislocated Worker Grants. Hawaii was one of 43 states to win a portion out of a total of \$43 million. WDC plans to upgrade and enhance the quality of the current statewide participant management information system to enable common registration for job seekers and for data collection. The grant is for two years through September 30, 2018.

In partnership with the University of Hawaii's Career and Technical Education (CTE). WDC developed the "Hawaii's Investment of Public Funds in Workforce Development Programs: A Funding Summary 2016". The brochure shows at a glance the State, County and Federal agencies that receive Federal and State funds for workforce development and how much was expended to administer the programs. Descriptions of the programs are listed and types of programs are color-coded to easily identify which agencies are doing similar work. In most cases, the funding has maintained the same level or decreased. With the uncertainty of the availability of

federal dollars, the brochure provides agencies opportunities to collaborate, share resources and braid funds to eliminate duplication and enhance services to clients.

Statewide Sector Partnerships

WDC and the local Workforce Development Boards on each island are partners with the Hawaii Chamber of Commerce's program working on sector partnerships to include both economic and workforce development focused on the needs of employers by industry. WIOA includes employers and businesses as a key partner to shaping how employment services are delivered at the AJCs. Employers have a voice and the sector partnership model allows industry employers to share challenges and best practices leading to identifying priorities and actions steps towards resolution. Community partners are part of the process to support and assist with the priorities of focus identified by industry leaders. Kauai and Hawaii County selected the agriculture industry while Maui and Oahu chose the healthcare industry.

WDC has representation on several workforce related organizations where council members and staff serve on the Career and Technical Education Advisory Board, State Rehabilitation Council, Native Hawaiian Education Council, University of Hawaii Center on Aging Task Force, DXP Data Governance and Access Committee and Executive Committee, among others. WDC is also a member of the National Association of State Workforce Agencies and National Governor's Association.