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# A BILL FOR AN ACT

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RELATING TO WORKFORCE DEVELOPMENT BOARDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 202, Hawaii Revised Statutes, is  
2           amended by adding a new section to be appropriately designated  
3           and to read as follows:

4           "§202- Conflict of interest. (a) The Hawaii workforce  
5           development board and local workforce development boards shall  
6           develop written conflict of interest policies consistent with  
7           P.L. 113-128 (29 U.S.C. 3111(f), 3122(h)), and chapter 84.

8           (b) A member of the workforce development board, a local  
9           workforce development board, or standing committee member of a  
10           local workforce development board shall not:

11           (1) Vote on or participate in a discussion about a matter  
12           under consideration by a board:

13           (A) Regarding the provision of services by such  
14           member, or by an entity the board member  
15           represents; or

16           (B) That would provide direct financial benefit to  
17           the member or the member's immediate family; or  
18

1       (2) Engage in any other activity determined by the  
2             governor to constitute a conflict of interest under  
3             P.L. 113-128 or state law."

4       SECTION 2. Chapter 202, Hawaii Revised Statutes, is  
5 amended by amending its title to read as follows:

6                               "CHAPTER 202

7                               HAWAII WORKFORCE DEVELOPMENT [~~COUNCIL~~] BOARD"

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9       SECTION 3. Section 202-1, Hawaii Revised Statutes, is  
10 amended to read as follows:

11       "\$202-1 [~~Council;~~] Hawaii workforce development board;  
12 appointment; tenure. [+(a)+ ~~The advisory commission on~~  
13 ~~employment and human resources is hereby constituted as the~~  
14 ~~workforce development council.~~] The [~~council~~] Hawaii workforce  
15 development board is established and placed within the  
16 department of labor and industrial relations and shall [also]  
17 fulfill the functions of the state workforce development board  
18 for purposes of the federal Workforce Innovation and Opportunity  
19 Act of 2014, P.L. No. 113-128.

20       (b) Except for the ex officio members or their designees,  
21 the [~~council~~] board members shall be appointed by the governor  
22 for four-year staggered terms as provided for in section 26-34.  
23 The governor shall appoint the chairperson of the [~~council~~]

1 board as provided in section 26-34. The [~~council~~] board shall  
2 be constituted as provided by P.L. 113-128 (29 U.S.C. 3111) of  
3 the following members:

4 (1) The directors of labor and industrial relations and of  
5 business, economic development, and tourism; the  
6 superintendent of education; and the president of the  
7 University of Hawaii or their designees, as ex  
8 officio, voting members;

9 (2) The administrator of the division of vocational  
10 rehabilitation, department of human services, as an ex  
11 officio, voting member;

12 (3) The private sector chairpersons of the four [~~county~~]  
13 local workforce development boards, or their designees  
14 from the private sector membership of their respective  
15 boards, as ex officio, voting members;

16 (4) Seventeen representatives from the private sector,  
17 including nonprofit organizations and businesses in  
18 the State, appointed from individuals nominated by  
19 state business organizations and business trade  
20 associations;

21 (5) Eight representatives from labor organizations and  
22 workforce training organizations, two or more of whom

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1           shall be representatives of labor organizations who  
2           have been nominated by state labor federations, and  
3           one of whom shall be a labor representative from a  
4           community-based native Hawaiian organization that  
5           operates workforce development programs;

6           (6) A member of each house of the legislature, for two-  
7           year terms beginning in January of odd-numbered years,  
8           appointed by the appropriate presiding officer of each  
9           house, as ex officio, voting members;

10          (7) The four mayors or their designees, as ex officio,  
11          voting members; and

12          (8) The governor or the governor's designee.

13          ~~[(c)]~~ ~~[(c)]~~ ~~Council~~ Board members shall serve without  
14          compensation but shall be reimbursed for travel expenses  
15          necessary for the performance of their duties.

16          ~~[(d)]~~ ~~From June 6, 2016, and until such time that the~~  
17          ~~council has forty-one members, sixteen council members shall~~  
18          ~~constitute a quorum to do business, and the concurrence of at~~  
19          ~~least sixteen council members shall be necessary to make any~~  
20          ~~action of the council valid.]~~

21          ~~[(e)]~~ (d) All ~~council~~ board members may continue to  
22          serve on the ~~council~~ board until their respective successors

1 have been appointed. A person appointed to fill a vacancy shall  
2 serve the remainder of the term of the person's predecessor."

3 SECTION 4. Section 202-3, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "**§202-3 Powers of [council.] board.** (a) The [workforce  
6 ~~development council]~~ governor shall appoint and fix the  
7 compensation of an executive director, who shall be exempt from  
8 [chapter] chapters 76 [and may employ any other personnel as it  
9 ~~deems advisable within chapter 76.~~] and 89.

10 (b) The [council,] board, or on the authorization of the  
11 [council,] board, any subcommittee or panel thereof, may, for  
12 the purpose of carrying out its functions and duties, hold such  
13 hearings and sit and act at such times and places as the  
14 [council] board may deem advisable.

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

19 [~~(d)~~] (c) The [council] board may secure through the  
20 governor's office, any information from any executive  
21 department, agency, or independent instrumentality of the State  
22 it deems necessary to carry out its functions.

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1        [~~(e)~~] (d) The [~~council~~] board may convene such public  
2 conferences and forums as it deems useful to keep the public  
3 informed of workforce development needs, developments, and  
4 initiatives.

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

11        SECTION 5. Section 202-5, Hawaii Revised Statutes, is  
12 repealed.

13        "~~**\$202-5 Organizational relationships.** The workforce~~  
14 ~~development council is placed within the department of labor and~~  
15 ~~industrial relations for administrative purposes and shall act~~  
16 ~~in an advisory capacity to the governor.]~~"

17        SECTION 6. Sections 202-2, 202-4, and 202-10, Hawaii  
18 Revised Statutes, are amended by substituting the word "board"  
19 wherever the word "council" appears, as the context requires.

20        SECTION 7. All rules, policies, procedures, guidelines,  
21 and other material adopted or developed by the workforce  
22 development council to implement provisions of the Hawaii

1 Revised Statutes that are reenacted or made applicable to the  
2 department of labor and industrial relations by this Act shall  
3 remain in full force and effect until amended or repealed by the  
4 department of labor and industrial relations pursuant to chapter  
5 91, Hawaii Revised Statutes, as appropriate. In the interim,  
6 every reference to the workforce development council in those  
7 rules, policies, procedures, guidelines, and other material is  
8 amended to refer to the department of labor and industrial  
9 relations, as appropriate.

10 SECTION 8. All deeds, leases, contracts, loans,  
11 agreements, permits, or other documents executed or entered into  
12 by or on behalf of the workforce development council, pursuant  
13 to the provisions of the Hawaii Revised Statutes, that are  
14 reenacted or made applicable to the department of labor and  
15 industrial relations by this Act shall remain in full force and  
16 effect. Upon the effective date of this Act, every reference to  
17 the workforce development council or the executive director of  
18 the workforce development council in those deeds, leases,  
19 contracts, loans, agreements, permits, or other documents shall  
20 be construed as a reference to the department of labor and  
21 industrial relations, as appropriate.

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1       SECTION 9. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3       SECTION 10. This Act shall take effect upon its approval.

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INTRODUCED BY: 

7

BY REQUEST



**Report Title:**

Workforce Development Board

**Description:**

Amends the Workforce Development Board law to be consistent with the General Appropriations Act of 2021, Act 88, Session Laws of Hawaii 2021.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

## JUSTIFICATION SHEET

DEPARTMENT: Labor and Industrial Relations

TITLE: A BILL FOR AN ACT RELATING TO WORKFORCE DEVELOPMENT BOARDS.

PURPOSE: To amend the Workforce Development Council (WDC) law to be consistent with the state budget as enacted in the General Appropriations Act of 2021, Act 88, Session Laws of Hawaii 2021; to conform the WDC statute to the conflict of interest provisions and nomenclature found in the corresponding federal law.

MEANS: Amend the title of chapter 202, add one new section to chapter 202, amend sections 202-1 and 202-3, and repeal section 202-5, Hawaii Revised Statutes.

JUSTIFICATION: The General Appropriations Act of 2021, eliminated the program identification number (LBR135) of the WDC and transferred its appropriation and positions to the Workforce Development Division.

Title 29 United States Code section 3111(f) addresses conflicts of interest for board members of the WDC. Title 29 United States Code section 3122(h) addresses conflicts of interest for board members of the local workforce development boards and for standing committee members of local workforce development boards. This bill codifies those federal provisions in the state law.

The bill also makes the terminology used in the state statute consistent with the federal law by changing the name of the state and local entities, i.e., Hawaii Workforce Development Board and local workforce development boards.

Impact on the public: This bill will help ensure efficient administration of the workforce development programs of the Department of Labor and Industrial Relations and give the public greater confidence by ensuring ethical standards of conduct in the workforce development system.

Impact on the department and other agencies: Enactment of this bill will help the department to efficiently administer the workforce development program.

GENERAL FUND:	None.
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	LBR111.
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.