



WORKFORCE DEVELOPMENT
COUNCIL

Friday, October 24, 2014

1:30 p.m. – 3:30 p.m.

Department of Labor and Industrial Relations (DLIR)

830 Punchbowl Street, Rooms 310 – 314

Honolulu, Hawaii

MINUTES

Member Attendees:

Chairperson Leslie Wilkins	John Vannatta (<i>for Kathryn Matayoshi</i>)
Michael Ng (<i>for Governor Neil Abercrombie</i>)	Harold McDermott
Roland Prieto (<i>for Mayor Alan Arakawa</i>)	Catherine Scardino (<i>for Patricia McManaman</i>)
Ka'eo Bradford (<i>for Mayor Bernard Carvalho</i>)	Connie Mitchell
Vicki Gaynor	Paul Richards
Wayne Higaki	Arun Savara
Scott Murakami (<i>for David Lassner</i>)	Director Dwight Takamine
Wayne Thom (<i>for Richard Lim</i>)	Sunshine Topping
Steve Lupkes	

Guest Attendees:

Michelle Arima	Robert Park
Marilyn Matsunaga	Alan Hayashi
Alison Lum	Corey Moriyama
Iain Wood	Jade Butay

Staff:

Elaine Young (<i>Acting WDC Executive Director</i>)	Jillian Yasutake
Carol Kanayama	Joyce Suganuma
Maricar Pilotin-Freitas	Kristen Tello
Linda Sakamoto	

I. Call to Order

Chair Leslie Wilkins called the meeting to order at 1:35 p.m. with a quorum present.

II. Approval of Minutes of June 13, 2014 Meeting

The June 13, 2014 WDC Meeting minutes were APPROVED unanimously by the council members.

III. Old Business

Planning and Performance Committee Report

A. Solicitation of Comments on the 2013 WIA Annual Performance Report

1. Chair Leslie Wilkins asked that a motion be made to accept the substance and content of the report. She stated that the federal submission date got extended to November 14, 2014. She suggested allowing staff to only make changes to the formatting, pictures, and preparing it for printing.
2. Steve Lupkes made a motion to accept the substance and content of the Annual Performance Report, allowing staff to only make editorial changes before submission. The motion was seconded by Sunshine Topping.
3. The substance and content of the Annual Performance Report were unanimously approved by the council members.

B. Comments on Local Quarterly Reports

1. Chair Leslie Wilkins solicited members for comments on the Local Quarterly Reports, however there was none.
2. Chair Wilkins added that these reports are for information purposes only, therefore no motion would be needed.

C. Update on Modification to State Plan for PY 2012 - PY 2017

1. Vicki Gaynor said that since the last WDC meeting, the proposed modification revising the grant recipient and fiscal agent for Maui and Kauai was withdrawn. However, applications for added waivers were granted by the United States Department of Labor (USDOL). (Refer to Planning and Performance Committee Report.)
2. Vicki Gaynor also spoke about the performance goals that were discussed at the previous Council meeting. She said that Hawaii County was seeking to lower performance goals for the Adult and Dislocated Worker Program; however, PY14 performance goals for all counties remained the same as previous years because Hawaii County was fairly close to meeting goals.

D. Update on Investigative Committee

1. Chair Leslie Wilkins gave an update on the committee, stating that although the committee was formed at the last meeting, Congress subsequently passed the Workforce Innovation and Opportunity Act (WIOA). She explained that WIOA was not just an update of the current bill; rather, it was a complete change of the infrastructure in place for WIA.
2. She said that the meeting of the investigative committee has been indefinitely deferred until there is a clearer description of WIOA.

IV. New Business

A. Report on New Releases of Labor Market Information presented by Phyllis Dayao.

1. **Occupational Employment and Wages in Hawaii 2013 (released August 2014)**
This is the most comprehensive collection of data available in Hawaii, which is a deliverable from the cooperative agreement with the Bureau of Labor Statistics. Approximately 5,220 surveys were sent to establishments over a three year cycle (it takes about three years to cover all the employers in the state).
2. **Employment and Wages by Industry (released August 2014)**
The Employment and Wages by Industry report covers all of the units that pay unemployment tax for all the employment for the state. In 2013, the annual average employment was 618, 425 workers; an increase of 12, 890 workers from 2012. Employment in the private sector increased by 13, 308 workers. The 2013 statewide annual average wage for all workers increased to \$43,828.00.
3. **Hawaii Labor Market Dynamics (released September 30, 2014)**
This report covers the topics of employment growth or decline, unemployment, critical industries and occupations, skill shortages, and the needs and challenges of the jobless population served. Although this is covered every calendar year, the last report went back five (5) years because it discussed recovery from the recession.
4. **Hawaii Employment Projections for Industries and Occupations 2012 – 2022 (released September 30, 2014)**
This is a long-term projection that covers a ten year period from 2012 to 2022. The Employment and Training Administration (ETA) considers projections as one of the most important statistics besides the unemployment rate. The Research and Statistics office is required to use software and methodology designated by ETA. Long-term projections for the state are done on even numbered years, while the counties are done on odd number years.

- a. A council member asked how the people leaving the military are captured as people entering the job market and captured in unemployment numbers.
- b. Phyllis Dayao replied that once they enter the workforce, they are captured, adding that all the data is civilian. She explained that once a person is registered that they are ready and able to work, data is captured through surveys, wage records, unemployment, and other various ways.
- c. Elaine Young added that if the individual registers with WDD to look for jobs, they will be counted. When veterans get out of the military, WDD is in contact with representatives that work with the Veterans Administration. She also noted that a lot of people, who are discharged from the military in Hawaii, may not want to stay in Hawaii, opting to go home. If they sincerely want to work, then their data is captured.
- d. Director Dwight Takamine added that in the past three months, the size of the workforce has been the highest it has ever been, noting that the unemployment rate decreased to 4.2%.

B. Ship Repair Association Training Presentation

1. Scott Murakami, Workforce Development Director, University of Hawaii Community Colleges, said one of the things the Community Colleges are looking into is economic development. They found that workforce development is a critical element of economic development and each sector requires different types of accommodations of the factors of production.
 - a. The example he gave was agriculture and IT, saying that both the workforce demand levels and how the factors come together are different.
 - b. The job of the program coordinators is to get a good understanding of challenges each economic sector has, then try to address it using the tools and resources of the university, but also in partnership with the Council, employers, and particularly with other workforce training programs.
2. Scott Murakami introduced the pilot program saying that it was designed specifically for manufacturing and they were able to do manufacturing for the shipbuilding and repair sectors of our economy. Originating from the Chamber of Commerce Workforce Development and Training Committee, Manufacturing in Hawaii Subcommittee, it was designed to do two things:
 - a. In the short run, it was designed to create more qualified individuals to work in the shipyard.

- b. In the long run, a challenge was that without a stable workforce of qualified people, the ships would bypass Hawaii and get sent to San Diego. The only way to address this problem is to get a qualified, stabilized workforce. A problem that arises is that the employer is asked to float the cost (which can be substantial) of the employee while the ship is away. They are looking for a program to stabilize the economy, because the idea is when the ship goes out to sea, workers will not get fired. Instead, they would go back into on-the-job training and try to get up-scaled.
 - c. The main question is how you can address both the short and long term challenges at the same time.
 - d. When looking at the LMI data from 2012-2022, it was projected that the following occupations (welders, cutters, and glaziers) would grow by 10.3% with average hourly earnings of \$26.68/hour. Shipbuilding and repairing in Hawaii is projected to grow to 11.4% and pay average annual earnings of \$74,273.
3. Scott Murakami explained how the program works:
- a. Participants enter the DLIR's Voluntary Internship Program (VIP) for one (1) month to get a sense of what the program workload and work environment is like. It also allowed staff from the educational side to make sure the participant qualified for the educational program.
 - b. Upon completion of VIP, they enter into a 138 hours, Certificate of Professional Development welding program at Honolulu Community College. The classes offered were in Maritime Rules, Blueprint Reading, Welding Workmanship, and SMAW – Welding and Oxy Fuel Cutting Theory.
 - c. Lastly, they enter into a six (6) month, 1,040-hour, on-the-job training (OJT) program.
4. A council member asked how the applicants were found.
- a. Scott Murakami replied that they worked with the DLIR Workforce Development Division to put together a team for recruitment.
 - b. Elaine Young added that everything happened very fast; businesses wanted workers to start the day after Labor Day 2014. They put together a team who targeted veterans because if they were on ships before, they would be used to working on ships. The team also worked with employers on the front end to screen applicants.

5. Scott Murakami presented the demographics of the thirteen (13) participants:
 - a. Two (2) females and eleven (11) males.
 - b. Six (6) veterans.
 - c. Nine (9) completed VIP.
 - d. Four (4) found out they did not qualify for the program, but they were allowed to go through the Honolulu Community College welding program, and some were allowed to do on-the-job training in certain capacities.
6. There was a 100% completion rate, with all thirteen (13) participants passing.
 - a. There were four (4) OJT's and one (1) direct hire at the Pacific Shipyards International.
 - b. There were four (4) OJT's and two (2) direct hires at BAE Systems.
 - c. There was one (1) OJT and one (1) direct hire at C & S Services.
7. Chair Leslie Wilkins asked about transferable skills and other training that would make them more broad based for other jobs.
 - a. Scott Murakami replied that they would look at skills and number of employees the ship building association would need in terms of maintenance of the yard. Then they would look at skills to build on so their capacity to take on higher level jobs increases.
 - b. He added that they discussed expanding it beyond welding, and were looking to scale it horizontally into other occupations and vertically in terms of their skill sets.
 - c. Iain Wood, Pacific Shipyards International, added that a lot of the work they do supports Pearl Harbor Naval Shipyard, so the more they can train their skill sets, the more they can fill the shipyards needs.
8. Alan Hayashi, BAE Systems, said that from the employer perspective, Pearl Harbor is a large employer and from the private sector, there are about 1,200 workers, all taking care of eleven (11) surface ships. He said this is a good partnership between public and private sectors.
9. Corey Moriyama, BAE Systems, said that local residents do not have the opportunity to compete for jobs because they do not have the right skill sets in Hawaii.

10. WDC member Sunshine Topping directed a question towards Corey Moriyama, asking if this is a program that will occur more frequently and if you do OJT to upgrade skill sets, how does it work with the union?
 - a. Corey Moriyama replied that it is a partnership all around and that they talked to the unions to let them know what is going on.
 - b. Iain Wood said that they use a program called PeopleSoft which allows a person to apply for other jobs online. After six (6) months, if they get their certificate, they have the option of joining a union pool.
11. Director Dwight Takamine asked if there was any perspective for financial resources allocated to contribute to the industry and to keep Pearl Harbor economically healthy.
12. Corey Moriyama replied that the workload is strong for the private sector and that the company works well with the shipyard.
13. Alan Hayashi said that a rebalance in the Pacific is priority to the Department of Defense, but there is a question if Congress is committed because the politicians all come from different areas, and those from the east coast are more familiar with Middle East issues.
14. Alan Hayashi also added that Pearl Harbor has three (3) ships that require a lot of special care. The Navy wants to move it, but Hawaii wants to keep it here because its maintenance will provide steady work.
15. Corey Moriyama commented that we do not know what will happen in Congress, but we need to be ready. Ships can go somewhere else, but if we are ready for them, we can repair it here in Hawaii.
16. Elaine Young added that this program works because they work with the association members, and not just one employer, but with the whole industry sector. She said participants were recruited by having mini workshops and mini job fairs.
17. Leslie Wilkins commented that she is happy there were two (2) women who completed the program, and as a result they can be used as role models to attract more females to join the program.
18. Scott Murakami said a question that came up with this program is whether it can be adopted into other sectors. His response to it was yes, but it depends on the sector needs. What made this program work is that government listened. To get participants employed, each problem needs to be solved individually for each sector. A challenge is that a lot of employers are small business owners and do not have the capacity like larger mainland companies, to participate in this program. He said that during the first

round Trade Adjustment Assistance Community College and Career Training (TAACCCT), they established policy-planning workgroups. The Community Colleges have been looking at sector analysis, where they find workgroups for every sector that does not have an industry group at the state level. Then they need to go down to the individual county levels because the needs of Honolulu are not the same as Maui.

19. Scott Murakami also said that they are looking at an employer worker training program for bottle manufacturing. They are trying to build an online program and are working with a local bottling company to get their employees training in programmable logic control (PLC). Leeward Community College has a similar program that is being augmented by an online program so participants can come in at their convenience to attend class and complete their lab.

C. Update on Workforce Innovation and Opportunity Act (WIOA)

1. Timeline was presented by Carol Kanayama. (Refer to handout, Update on Workforce Innovation and Opportunity Act)

- a. On January 18, 2015, the draft regulations will be published, providing clearer ideas of how WIOA will be implemented and its expectations. She noted that for DLIR and Counties, implementation of most WIOA provisions will take effect July 1, 2015 and applies to Workforce Development Division, Adult Education, and Vocational Rehabilitation. Core partners now include Adult Education and Division of Vocational Rehabilitation under WIOA.
- b. On July 1, 2015, State and local plans under WIA will continue as is. The current performance accountability system will stay in place until July 1, 2016 by which time, participants should be tracked through Adult Education and Vocational Rehabilitation.
- c. On January 22, 2016, the final regulations will be published; however implementation of these regulations would have already started on July 1, 2015.
- d. On March 3, 2016, the state unified plan will be due from DLIR, Adult Education, and Vocational Rehabilitation.
- e. On March 3, 2016, the new performance measures will be negotiated.
- f. June 30, 2016, new performance measures take effect.

2. Highlights from Consultant Greg Newton Webinar

- a. For State and local boards, 20% of board memberships must include workforce representatives to include representatives nominated by labor organizations, but now it will also include a representative from an apprenticeship program. Also, a business person cannot meet the requirements of the categories “community-based organization” and “apprenticeship program”.
- b. A new function for local and state boards is that there will be a more active leadership role in engaging employers in developing sector strategies. This begins with identifying the in-demand occupations in industries.
- c. More emphasis will be placed on servicing persons with disabilities.
- d. Apprenticeships are recognized as the original training program model, so there is more emphasis into integrating apprenticeship into workforce systems.
- e. John Vannatta added that as the principal of an Adult Education school, the ultimate goal is to find a job.

3. State and Local Readiness Checklists

Carol Kanayama said that checklists were made available from the federal government to help State and Counties prepare for WIOA implementation. She said that the State and the Counties went through the checklists to learn the new tasks of WIOA. She suggested that questions for local areas be directed toward local representatives because they are in the process of planning local WIOA activities.

V. Announcements

A. DLIR Updates

1. Hawaii Agriculture Workforce Advisory Board

Director Dwight Takamine explained the establishment of a new Hawaii Agriculture Workforce Advisory Board. It is an eight-member board created by the Legislature. Members consist of the Directors of both the Department of Labor and Department of Agriculture, a representative from the College of Tropical Agriculture and Human Resources, a representative of the Department of Education, a representative from UH Hilo – College of Agriculture, a representative from the Hawaii State Farm Bureau, and a Big Island farmer. Purpose of this Board is to identify needs to grow an agricultural workforce and recommend action to address those needs.

2. Other DLIR Updates

Elaine Young gave an update on the following requests/awards:

- a. Job-Driven National Emergency Grant, which submitted in late may, was awarded \$722,420.00, plus an additional \$175,000.00. DLIR is actively working on this grant, working on updating our Eligible Training Provider website, and using the money for assessment tools and to develop local videos.
- b. Workforce Development Division is partnering with the Department of Health as the lead, and Vocational Rehabilitation Education to the Department of Labor's Office of Disabilities Employment Policy to secure technical assistance, particularly for front line workers.

B. Other Updates

1. Chair Leslie Wilkins announced that she will be heading to Washington D.C. on November 8, 2014, to participate with Business and Professional Women who is partnering with Mrs. Obama and Dr. Biden to look at providing female veterans better transition, support, and mentorship into civilian employment. 350 female veterans, of whom 100 are homeless, and mentors from across the nation are expected to attend.
2. Ka'eo Bradford shared that Kauai County and Kauai Workforce Investment Board is starting a small business fair to promote entrepreneurship on Kauai.

VI. Adjournment

Chair Leslie Wilkins adjourned the meeting at 3:29 p.m.