



**WORKFORCE DEVELOPMENT**  
COUNCIL

**Thursday, June 18, 2015**

**9:30 a.m. – 11:30 a.m.**

**Department of Labor and Industrial Relations (DLIR)  
Keelikolani Conference Rooms 310 to 314  
830 Punchbowl Street, Honolulu, Hawaii**

**MINUTES**

**Member Attendees:**

Chairperson Leslie Wilkins

Paul Richards

Steve Lupkes

Ka'eo Bradford (*for Mayor Bernard Carvalho*)

Catherine Scardino (*for Rachael Wong, DrPH*)

Scott Murakami (*for David Lassner*)

John Vannatta (*for Kathryn Matayoshi*)

Michelle Arima (*for David DeLuz, Jr.*)

Sunshine Topping

Representative Mark Nakashima

Director Linda Chu Takayama

Arun Savara

**Members Absent:**

Mayor Alan Arakawa

Allen Chung

Carl Hinson

Governor David Ige

Senator Gilbert Keith-Agaran

Nani Medeiros

Connie Mitchell

Director Luis Salaveria

Senator Jill Tokuda

James Tollefson

Representative Ryan Yamane

**Guest Attendees:**

Phyllis Dayao

Susan Akiyama

Alison Lum

Debbie Miyao

Susan Foard

Marilyn Matsunaga

Norma McDonald

Rolanse Crisafulli

**WDD/WDC Staff**

Elaine Young

Jillian Yasutake

Linda Sakamoto

Kristen Tello

Carol Kanayama

Maricar Pilotin-Freitas

Joyce Suganuma

Ce Anne Calderon

**I. Call to Order**

Chairperson Leslie Wilkins called the meeting to order at 9:30 a.m., announcing that there was no quorum; therefore the meeting had no voting action items. With consensus from the present Council members, introductions were moved down the agenda to after agenda item "IV. A. Report on Labor Market Information for Comment".

**II. Approval of Minutes**

As a result of not meeting quorum, approval of the two previous meeting minutes (October 24, 2015 and February 12, 2015) were deferred to the next Council meeting.

**III. Old Business**

None

**IV. New Business**

A. Report on Labor Market Information for Comment.....*Phyllis Dayao*

1. Short-term Projections

- a. The short-term report for the State was released in April and is available for download at <https://www.hiwi.org>. There are forecasts for industries and occupations in the State. The Statewide employment in the two-year period of 2014 to 2016 is forecasted to expand by 2.9% (19,760 jobs). The construction industry and its related jobs are expected to grow at the fastest rate of 8.5%. Those construction occupations were listed on the Labor Market Information handout. Jobs in service will have the greatest number of job openings, while sales related positions have the most openings.
- b. The Research and Statistics office provides only long-term reports for counties. It should be available next month (July) and will cover the years 2012 to 2022.

2. Update on Clean Energy Jobs

- a. The Hawaii Clean Energy Jobs Survey was conducted to update the 2010 baseline assessment and was funded by the Hawaii Energy Policy Forum (HEPF).
- b. The survey was sent out to 1,250 businesses engaged in clean energy and received 670 replies. The results are still being analyzed, however early analysis shows there is a considerable increase in the number of clean energy related jobs since the baseline survey was taken. The final report will be ready in September.

3. Update on Soft Skills Survey

- a. Staff did research on finding the top four soft skills for four industries (Information Technology, Hospitality, Healthcare, and Construction) that were identified by the Job-Driven National Emergency Grant.

- b. 530 business were surveyed and 226 replied as follows.
  - i. *Information Technology Industry – 52 replies*  
Top Skills: Communication, Problem Solving, Teamwork, and Listening.
  - ii. *Hospitality Industry – 52 replies*  
Top Skills: Communication, Dependability/Reliability, Building Customer Relationships, and Teamwork
  - iii. *Healthcare Industry – 60 replies*  
Top Skills: Communication, Empathy for Patients, Listening, Strong Work Ethic.
  - iv. *Construction Industry – 62 replies*  
Top Skills: Dependability/Reliability, Strong Work Ethic, Communication, Listening.
- c. Phyllis Dayao acknowledged the Chamber of Commerce of Hawaii for providing their membership list for the four different industries and helped by sending email blasts to encourage members to complete the survey.

B. Workforce Innovation and Opportunity Act (WIOA) Updates

1. Notices of Proposed Rulemaking

- a. Carol Kanayama referred to the handout which included the Notices of Proposed Rulemaking and a summary which has five sections. The third section was only for Adult Education, the Fourth section for vocational rehabilitation.
- b. Comments on the proposed rulemaking were submitted on-time and posted to the WDC Website. After soliciting for comments from everyone, replies from Division of Vocational Rehabilitation (DVR) and from a data team that works with DVR and Adult Education were received.
- c. Important Extracts from the Rules:
  - i. Eligible Training Provider (ETP): They are proposing changes to the performance requirements associated with becoming an ETP. An ETP is a preapproved list of providers and programs that WIOA participants can attend if their counselor plans for them to receive this kind of training. Since the performance requirements are onerous, a comment submitted was that it was too short of a process and hope that it does not become a barrier if they want to have it in place by the end of December.
  - ii. Performance Thresholds: They are proposing to consider a failure to meet performance, as 90% of the average scores among the programs (DVR, Adult Education, WIOA, and Wagner-Peyser). Since DVR has never had these measures before, staff requested a lenient period and a lower threshold.

- d. Comments from the National Governors Association, National Association of Workforce Agencies, and National Association of Workforce Boards were posted online.
2. Training and Employment Guidance Letters (TEGL)
    - a. A list of pertinent guidance letters, with corresponding web addresses, was provided in a handout and is posted on the WDC website.
    - b. Participants are grandfathered from WIA into WIOA. If the participant has a planned activity that was legal under WIA, but illegal under WIOA, offices are still obligated to provide services.
    - c. Carol Kanayama pointed out the following:
      - i. TEGL No. 38-14: Clarified that we can use new WIOA dollars to continue services that participant had planned as a WIA participant. The Federal Government wants offices are to continue enrolling participants up until June 30, 2015 so that there is no lull. From July 1, 2015 all participants need to follow WIOA requirements if they are newly enrolled.
      - ii. Changes to the WIOA local service provider contracts. The local area contract should state to the providers that they need to follow WIOA requirements for new participants starting July 1, 2015.
3. Conflict of Interest Concerns
    - a. Elaine Young announced that DLIR is aggressively pursuing a reassignment of the administrative entity functions of the Council by working with the Attorney General's office and the Director's office. The WDC as an organizational structure is still intact, but was moved to the current arrangement because of budgetary concerns. About four years ago, the administrative funds went down to 5%, then this current year, it went up to 8.75% (also allowing administrative dollars from WIA funds to be used). On July 1, 2015 it will go up to 10%. The law says 15%, but congress said it will be 10%. With the new budget, they are thinking of raising it only 1%, making it 11%.
    - b. Elaine Young said that there are some funds, and they want to put up this firewall to ensure everyone is working within the law.
    - c. Director Linda Chu Takayama thanked Elaine for taking on the additional responsibility of staffing the Council, but with the changes, it has become prudent that there is a separation. She added that the Department is committed to providing the Council its own staff to the extent that resources are available. They have identified those resources for this year, however anything beyond that depends on the Legislature.
    - d. Director Takayama asked Council members to think about how they want to conduct a search for their new Executive Director and that the department is ready to start immediately.

- e. Chair Leslie Wilkins reminded members that it is the Council's responsibility to retain staff, will be the hiring authority (working in conjunction with the State's HR laws and their professionals), and their performance.
- f. The Council's Executive Director is exempt from civil service position.
- g. Sunshine Topping asked what is the conflict.
  - i. Elaine Young replied that the conflict is she is wearing two hats (Administrator of Workforce Development Division (WDD) and Acting Executive Director of Workforce Development Council).
  - ii. It was permissible under the Workforce Investment Act (WIA), but WIOA has new restrictions.
  - iii. In addition to the coordination of Council meetings, some of things the Executive Director and staff will be tasked with is: monitoring, budget and allocations, and contracts.
  - iv. Since WDD also provides services within the State, a firewall will be put in place by completely separating WDC from WDD.
  - v. Michelle Arima commented that it was a sticky situation having DLIR be both the grantor and grantee. By putting up the necessary firewalls, that should be cleared up.
  - vi. Elaine Young added that DLIR is working on this with the Attorney General's office and Corp Council for each county. This question was also sent to the Regional office, but no answer has been received. The most recent status from the Federal side is that the question is in Washington D.C., with the Administrative Law Judge, which is their form of an attorney general. She also mentioned that there are other States experiencing the same problem.
  - vii. Chair Leslie Wilkins added that the administrative function for the new Executive Director will include some fiscal oversight and contractual understanding.
  - viii. Marilyn Matsunaga added that under WIA, the local boards could designate who the service providers were, but under WIOA, it is done through a competitive process where the State could now be a bidder.

4. Extension of Program Year 2014 Performance Goals into PY 2015

- a. Carol Kanayama reported that the Federal Government is allowing the goals from the current year to extend into the next year. After looking at the goals and performance, and asking the counties, the recommendation to them was to extend it because we are doing really well collectively as a State, by meeting and/or exceeding our goals.

- b. Carol Kanayama added that on the individual county level, the City and County of Honolulu and Hawaii County requested to have their goals renegotiated for this coming year.
  - c. Michelle Arima, from Hawaii County, said that they were hoping to have their goals lowered to an attainable number as a result of concern and confusion with the WIOA changes.
  - d. Carol Kanayama added that Honolulu had a similar concern. The members were provided with the data requirements, but it was challenging to negotiate because there is no historical data to reference.
  - e. The State reported up to the third quarter of PY14 is official and has been posted on Hirenet Hawaii. The county data reports have been posted to the WDC website.
5. PY 2015 Allocations for the WIOA Adult, Dislocated Worker and Youth Programs
- a. Carol Kanayama gave a presentation on WIOA Bulletin No. 02-15 (issued by DLIR) which was passed out to Council Members.
  - b. Overall as a State, we had been fortunate to not lose too much funds.
6. WIOA Implementation Timeline
- a. Council members were provided with a timeline for the WIOA Unified Plan, which was created in collaboration between WDD, Adult Education, and Division of Vocational Rehabilitation (DVR).
  - b. Elaine Young commented that under WIOA it is mandated that WDD, Adult Education, and DVR is required to partner together to write the Unified Plan.
  - c. Susan Foard from DVR said that there was a choice between a combined plan and a unified plan. The unified plan was chosen because it best fit the current timeframe, but in the future, it may become a combined plan. The unified plan just incorporated the three divisions (WDD, Adult Education, DVR), while the combined plan incorporated others outside of that group.
  - d. Susan Foard announced that on July 27 and 28, 2015, there will be a stakeholders meeting at the Ala Moana Hotel from 9:00 a.m. to 3:30 p.m. each day. The first day (Monday, July 27), will be DVR and adult education focusing on youth. The morning will start off with a general overview of WIOA so the stakeholders get an idea of the nuances of each program. The afternoon will have breakout sessions to discuss what services will youth need to transition to higher education or to work. The second day will be DLIR focusing on the employers and the effectiveness of serving your employers.
  - e. Chair Wilkins added that in the Economic Development Strategies required by the U.S. Department of Commerce, there is an Economic Development Administration, requires the State to have a comprehensive economic development strategy (CEDS) to be revisited every five years to get

stakeholder input from the different communities. The WIOA State Unified Plan is developed and informs the counties how they should do their customized individual community plan. This is opposite from CEDS, which the local community partners will go out to do stakeholder meetings in their perspective counties, and that will roll up into the Unified State Plan. She asked that members work with their local county Economic Development Boards to see how they can leverage each others resources.

C. Draft Policy and Procedures for Comment

1. Initial Designation of Local Workforce Development Areas

- a. Council Members received a copy of the draft version of WIOA Bulletin No. 03-15, which Carol Kanayama reviewed. The bulletin covered the policy and procedures in designating the Local Workforce Development Areas. This follows the federal law requirement.
- b. Ms. Kanayama also said that if the performance criteria was not met, a Performance Improvement Plan could be submitted by July 31, 2015.

2. Criteria for Local Workforce Development Boards and Local Board Certification

- a. Council Members received a copy of the draft version of WIOA Bulletin No. 04-15.
- b. Carol Kanayama pointed out that on page 2 of the draft bulletin, it notes that all members have optimum policy making authority. She added that at the local level, there should be formal policy in place to show how they will facilitate the nomination process to show how the nominations are solicited from associations and trade organizations.

D. County Reports on Transition to WIOA

1. Hawaii County

Michelle Arima provided a copy of the report to all council members. She reported that they are extending their PY14 contracts for a few months, but in the meantime they do have an RFP out for the youth program. They are expecting to have that in place by August 1, 2015. In the meantime, they are working on the RFP for the adult and dislocated worker program because it is getting procured this time. They are also working on their PY15 contracts, annual plan, and reaching out to their one-stop partners.

2. Kauai County

Kaeo Bradford provided a copy of the report to all council members. Kaeo reported that the MOU and RFQ will be coming out tomorrow, and they hope to get it done within the first quarter of PY 15. She also announced that Mayor Carvalho is making an appearance on a TV show covering the services available in the community.

3. City and County of Honolulu

Marilyn Matsunaga passed out a copy of the Honolulu report to all council members. Marilyn reported that in regards to the TEGL that was issued on June 8<sup>th</sup>, a memo was sent out to all of their partners that they will be extending their MOU to June 30, 2016 to allow for the transition of activities. She also added that the Oahu Workforce Investment Board, at the county level, is administratively attached to the Department of Community Services. Lastly, she announced that they are organizing a Pacific Region meeting, projected to be in October or November of this year, and further information is be sent out later.

4. Maui County

Chair Leslie Wilkins went over the Maui County report, which was provided to all council members. She reported that Maui is maximizing the extension process as allowed under the transition to WIOA. They are consulting with their procurement officers and corp council to have a seamless transition with minimal disruption to services.

**V. Announcements**

A. DLIR Updates

1. Elaine Young announced that Betsy Kim will be serving on the Council as the representative for the Governor's office.
2. She also announced that they are working with the regional office to bring training to Hawaii so more people are able to attend without having to fly to the mainland. She said currently on the calendar is Fiscal Training which is projected to occur early in November. More details will be sent out as it is finalized.

B. Federal Grant Proposals Submitted

Elaine Young stated that staff members Carol Kanayama, Maricar Pilotin-Freitas, and Jillian Yasutake have been actively pursuing the following federal grants:

1. American Apprenticeship Initiative – Requested \$2,999,553.86
2. Health Profession Opportunity Grants (HPOG) to Serve TANF Recipients and Other Low-Income Individuals – Requested \$12,536,165.00 for five years.
3. Hawaii DEI Round 6: Building Career Pathways for Tomorrow – Requesting \$2,500,000.00.

C. Next Meeting

The next meeting has been set for Wednesday, September 23, 2015. Further details will be sent out to Council members as it is finalized.

**VI. Adjournment**

Chairperson Leslie Wilkins adjourned the meeting at 11:34 a.m.