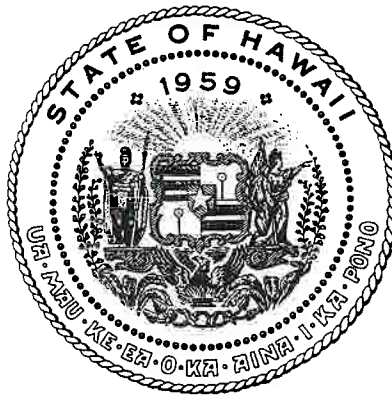

Year Eight

Workforce Investment Act Title 1-B Annual Performance Report Program Year July 2007 – June 2008



State of Hawai`i

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Section One • Workforce Investment Act in Hawaii

Background

The Workforce Investment Act of 1998 (“WIA”) led to the creation of Hawai`i’s four local area one-stop delivery systems--O`ahu WorkLinks, Kaua`i **WorkWise*, WorkSource Maui and Big Island Workplace Connection. As part of Hawai`i’s workforce system, these entities are designed to:

- offer comprehensive employment, labor market and career information;
- help individuals gain employability skills through targeted education and training;
- help jobseekers and employers connect;
- provide specialized assistance to individuals with barriers to employment;
- assist businesses address workforce issues; and, overall,
- offer services and information in an integrated and customer-driven atmosphere.

The networks of the four one-stop delivery systems extend beyond 14 physical locations through outreach staff for special populations and businesses. The four one-stop delivery systems are also supported by HireNet Hawaii, a virtual resource offering a wide variety of core employment services from any location with internet access. They are operated by four local workforce investment boards (“LWIBs”) and work with networks of partners including the state level Workforce Development Council (“WDC”) and the State Department of Labor and Industrial Relations (“DLIR”).

Funding from the federal WIA Title 1-B program supports statewide and local area activities that improve the workforce system and deliver services to adults, dislocated workers, and eligible youth.

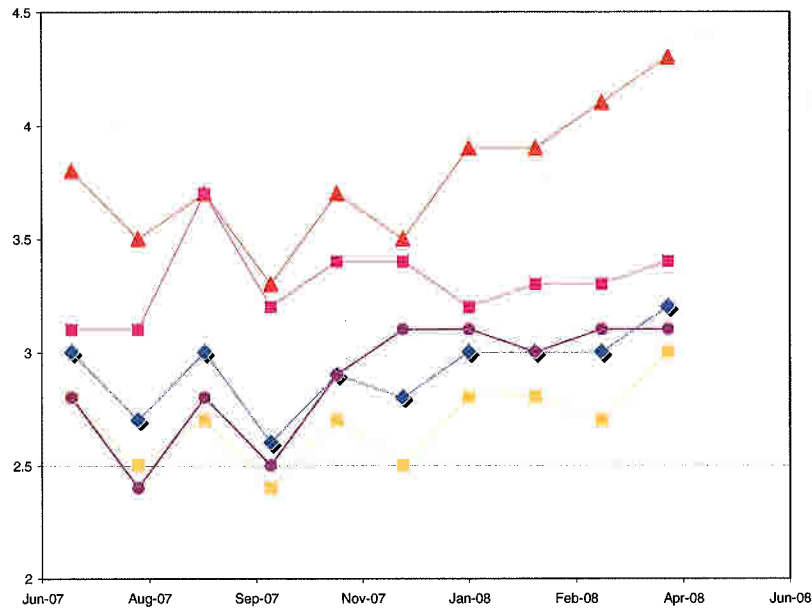
Performance Environment

Year 8 or Program Year (PY) 2007 covers July 2007 to June 2008. This program year has been characterized by low unemployment rates across the State, continual employer demands for work-ready and better-skilled workers, pressure to expand the labor force from among the harder-to-employ population, and WIA fund rescissions.

Employment Trend

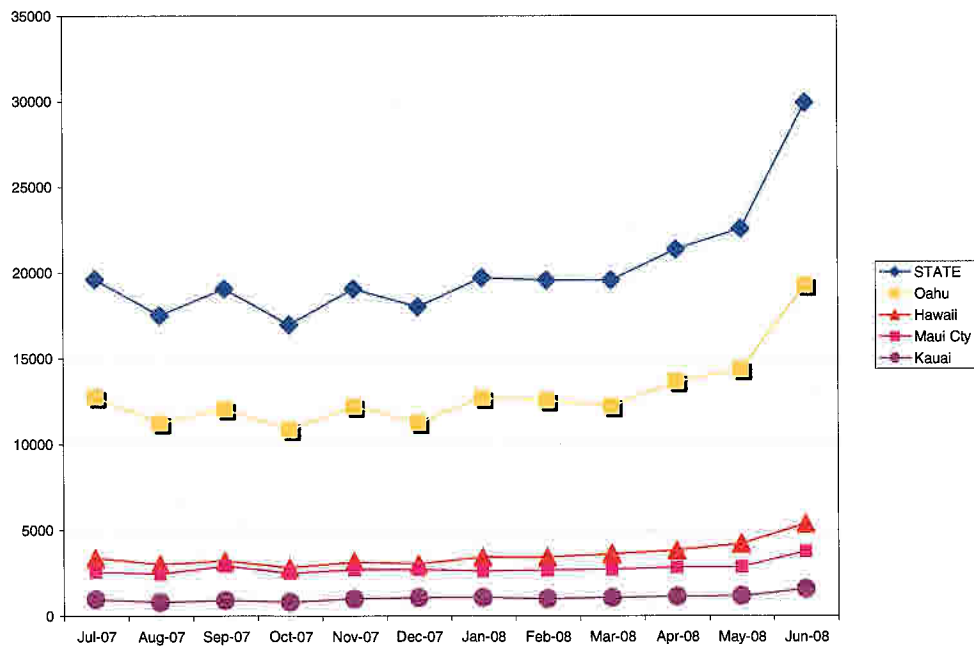
Hawai`i’s average unemployment rate in PY 2007 began to climb during the second half of the program year. The monthly unemployment trend was similar across all four local workforce investment areas. O`ahu had the largest number of unemployed people but the Big Island of Hawai`i had higher unemployment rate percentages (see Charts 1 and 2).

Chart 1. PY 2007 Monthly Unemployment Rate, State and Local Workforce Investment Areas



Source: Data from DLIR Research and Statistics Office, Chart-WDC

Chart 2. PY 2007 Monthly Unemployment Count, State and Local Workforce Investment Areas



Source: Data- DLIR Research and Statistics Office, Chart -WDC

During this period of low unemployment, many employers were receptive to the idea of hiring workers from *harder-to-employ* populations or underrepresented groups. Table 1 identifies groups with estimated labor force participation rates (LFPR) that were less than the 66% of the general population's.

Table 1. 2006 Estimated Labor Force Participation Rates of Underrepresented Groups

Underrepresented or Harder-to-Employ Groups	Labor Force Participation Rate
16 years or older with disabilities	47.6%
65-74 years old (proxy indicator for older adults)	35.5%
16 years and older, Asian origin (proxy indicator for immigrants)	61.7%
16 years old and older, income in past 12 months were below poverty line (proxy indicator for economically disadvantaged, or people on welfare programs)	45.4%
25-64 years old with less than high school graduate education (proxy indicator for adults with basic skills deficiency)	61.3%

Source: Data extracted from factfinder.census.gov

Skills Need and Education and Training Providers

As in PY 2006, many employers had difficulty finding qualified workers and continued to express the need for job-ready and skilled workers. State workforce projections indicate a rise in the demand for occupations requiring higher skills from 26.4% in 2004 to 27.2% by 2014 (or an average rate of increase of 1.6% a year). The ability of each one-stop delivery system to respond to a broad range of skill-building training continues to be dependent on available and affordable providers. For example, O`ahu has the most education and training options with four community colleges- Leeward, Honolulu, Windward and Kapi`olani. Each of the other three local areas have one community college. Online or distance learning programs broadens the options the availability of options on all islands.

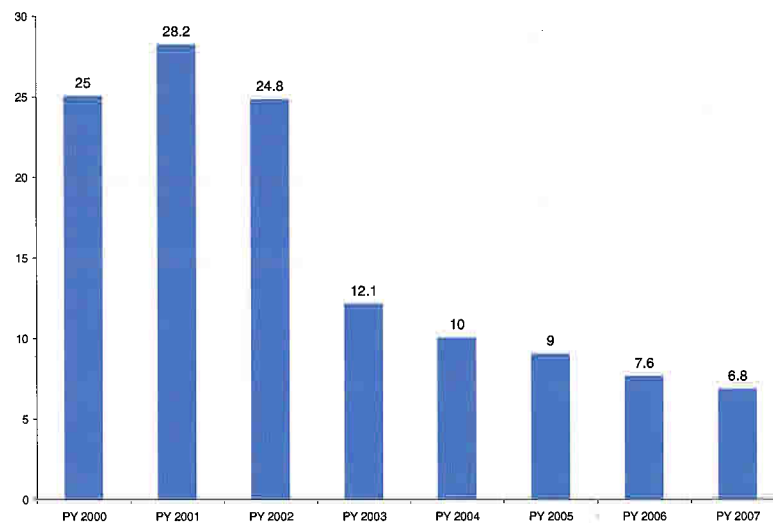
WIA Fund Rescissions

As in PY 2006, the USDOL rescinded funds across all States. The following rescissions totaling \$300,618 were applied:

- a. A 1.747% across the board cut; and
- b. A cut in funds that were unspent by the end of the previous program year (i.e., June 30, 2007). The cuts were applied in the same manner at both the State and local levels. Each LWIB was required to submit a revised plans to reflect the decrease in funding.

WIA funding continued to decrease and the formula-driven allocation for States continued to decline. For PY 2007, the net allocation (after rescission) was at least 10% less than PY 2006 (Chart 3).

Chart 3. Expended WIA Allocation, 2000-2007



Source: Hawai'i Year Seven WIA Title 1-B Report, Appendix Table N

Section Two • State and Local Area Highlights

The major WIA-driven workforce development infrastructure includes the Workforce Development Council (“WDC”), the Workforce Development Division (“WDD”), both housed in the Department of Labor and Industrial Relations (“DLIR”); 14 One-Stop Centers located on five major Hawaiʻi islands; and four Local Workforce Investment Boards (“LWIBs”). The WDC continued to engage stakeholders in economic development, education, workforce development activities that advance both Governor Linda Lingle’s Innovation Initiative, and a demand-driven workforce development strategy that focuses on alignment of stakeholders in Hawaiʻi’s system to increase effectiveness and efficiency.

Workforce Development Council

The WDC held four full council meetings during PY 2007, and fulfilled its obligations to review and approve WIA and Reed Act plans submitted by the LWIBs, as well as the Labor Market Information plan. In addition to WIA monitoring and advisory oversight responsibilities, the WDC provided the following and activities in PY 2007:

- Facilitated an Education-Workforce Working Group, created by the 2007 Legislature, to examine questions relating to fostering work-relevant programs and activities in Hawaiʻi’s high schools. The recommendations were built on the WIA’s philosophy of promoting public and private partnerships to enhance learning experiences for youth that will translate into higher levels of post-high school education and training, and job readiness.
- Published a report to the Governor and Legislature on workforce development programs and expenditures, with recommendations for improvements that would strengthen the entire system, such as implementation of Lifelong Learning Accounts. The 2008 report can be found at www.hawaii.gov/labor/wdc. The report also highlights the LWIB activities and the redesign efforts in Hawaiʻi’s public high schools to prepare students for the world of work or higher education.
- Co-sponsored a Forum with the DLIR and the Department of Business, Economic Development and Tourism (“DBEDT”) in January 2008 to identify ways in which Hawaiʻi’s workforce and training systems can be redesigned to meet the skills needs in a competitive global environment. Over two days, speakers from the National Governors Association (“NGA”) Best Practices meeting in Washington, DC presented best practices information and facilitated an action-oriented dialog on workforce development.
- As a result of the January Forum, began planning for a rigorous, comprehensive Strategic Plan for 2009-2015– one that will involve major stakeholders in a process to refocus the WDC’s efforts to primarily address activities that meet federal and state mandates. The planning effort will be rolled out in phases, the first to be presented at the November 13, 2008 WDC meeting.

- Assisted the Hawai'i County WIB in securing an additional \$2 million in Reed Act funds from the Hawai'i State Legislature, and provided oversight of the LWIB Reed Act funding. WDC staff provided technical assistance when requested during Reed Act services implementation.
- Continued to partner and collaborate in activities directly related to the WIA and other workforce development efforts, including Career and Technical Education Coordinating Advisory Council ("CATECAC"), State Vocational Rehabilitation Council, Medicaid Infrastructure Grant ("MIG"), Project Hoomohala Project of the UH Center on Disabilities Studies ("CDS"), P-20 Initiative (American Diploma Project), the Online Learning Task Force, and the state-led Hawai'i Sustainability 2050 initiative.
 - WDC Chair Yamanaka, a member of the National Association of State Workforce Board Chairs, is a member of the Policy Committee that is tasked with developing policy positions for the association to create a more integrated and relevant workforce development system.
 - WDC staff representation on the O'ahu Workforce Investment Board task force on developing a certification process for job-readiness will assist in taking this high priority statewide.
 - WDC staff participated in career and college fairs, provided technical assistance to One-Stops and the LWIBs as needed.
- The WDC staff and members are closely following the economic situation in Hawai'i, which like the rest of the nation is experiencing an increase in unemployment due to plant and plantation closures, airline bankruptcies and a reduction in both eastbound and westbound airline capacity. The increase in fuel costs adversely affects both Hawai'i's cost of living and the number of visitors in the economy-driving tourism industry. Even in the situation where labor shortages from a year ago have eased in some sectors, Hawai'i continues to experience severe shortages in high-skill areas such as nursing, medical technology, and certain categories of teaching and engineering.

Workforce Development Division

The WDD of the DLIR serves as the administrative entity for federal WIA programs in the state. The WDD also is a key partner with other state, county, and other organizations to help employers and jobseekers meet workforce needs.

Economic Changes in PY 2007

Demand for WDD services increased during PY 2007 as unemployment rates rose based on a number of layoffs and closures. Rising oil prices raised the cost of airfare, and economic uncertainty in financial markets adversely affected the hospitality industry, the largest economic driver in the state. New initial claims averaged around 1,200 per week at the beginning of the program year and peaked at 2,700 initial claims during early April 2008. The most notable closure was Aloha Airlines, which abruptly ceased passenger operations on March 31, 2008 and

that action was soon followed by the closure of ATA Airlines. Both actions significantly reduced total flights to and from Hawai`i. Other major layoffs included the shutdown of Molokai Ranch, a major landowner and employer on Molokai, and Weyerhaeuser, which shut down their manufacturing facility on O`ahu.

Rapid Response Activities Following Business Closures or Layoffs

The DLIR initiated and mobilized a series of Rapid Response services to provide information to affected employees about re-employment and training services. Information was shared on unemployment insurance benefits, employment and training services, jobs within state and county governments, food stamps, MedQuest, welfare benefits, and counseling services. In addition to DLIR, participating agencies included ALU LIKE Inc., Credit Counseling Bureau, O`ahu WorkLinks, County agencies, and State Departments of Health, Human Services, Human Resources, and Hawaiian Home Lands. Examples of rapid response sessions included those for Norwegian Cruise Lines, Aloha Airlines, ATA, Maui Land and Pineapple, Kona Community Hospital, Weyerhaeuser, and Moloka`i Ranch.

National Emergency Grants

The DLIR applied for and was awarded \$5.2 million in federal WIA National Emergency Grant ("NEG") funds to serve 710 former employees of Aloha Airlines and ATA. The NEG provided and continues to offer various employment and training services statewide to assist the former workers in getting new jobs. The first increment of funding during PY 2007 released about \$3.2 million under the grant. The NEG is operated by the City and County of Honolulu and WDD.

The DLIR also was awarded over \$380,000 to serve 56 former employees of Molokai Ranch, which shut down most operations in April 2008. Various employment and training services may be provided through this grant. The DLIR's WDD operates the NEG program on Molokai.

Military Spouse Career Advancement Account

The DLIR was awarded \$2.45 million from US Department of Labor to implement a pilot project targeting spouses of active duty military members stationed at Fort Shafter, Pearl Harbor, Kane`ohe Marine Corps Air Station and Hickam Air Force Base. Eligible spouses were able to receive up to \$3,000 per year for a maximum of two years for training in high-demand fields leading to an industry-wide or nationally recognized certificate or degree.

The WDD and the City and County of Honolulu operated the project in close collaboration with Family Service Centers and Education Centers on each base. The intent of the project was to increase employment prospects for spouses, improve morale among military families, and thereby encourage retention of active duty personnel. As of June 27, 2008, over 300 military spouses were enrolled in the project, and over \$900,000 was obligated for Career Advancement Account ("CAA") tuition costs. Interest in the CAA program was much higher than expected

due to extensive outreach efforts on base, and enrollments and obligations exceeded quarterly projections to the extent that new enrollments were suspended in late August 2008.

HireNet Hawaii

The DLIR's WDD continued to support an electronic job board and case management system through HireNet Hawaii, an internet-based system first implemented in 2006. Job seekers and employers accessed HireNet Hawaii directly through the internet, and One-Stop Center staff used the system to manage and report on WIA activities. During PY 2007, Geographic Solutions, the vendor for HireNet Hawaii conducted several training sessions with One-Stop Center staff, youth providers and counties to better acquaint them with features of the system. Additional training was provided to the DLIR's WDD staff who served military veterans, too.

Certified Nurse Aide Project

The Certified Nurse Aide ("CNA") pilot project funded by U.S. Department of Labor ("USDOL") was fully underway in all counties during PY 2007. After a slow start in PY 2006, the community colleges were able to deliver training that met the more stringent standards required for Medicaid and Medicare reimbursements. The project provided recruitment and supportive services for students enrolled in the program. As of June 30, 2008, the project surpassed the initial goals with 353 enrollments, with 329 completing training. Red Cross certification was awarded to 180 of the CNA students.

O`ahu Workforce Investment Board (“OWIB”)

During PY 2007, the OWIB initiated support for O`ahu’s workforce development needs through exploration of a work readiness certification that assesses “soft skills” of employees. On April 25, the OWIB and Learning Resources presented the AccuVision Workforce Readiness System to 85+ attendees representing private businesses, education and government. The OWIB is proceeding with an analysis of other work readiness certification instruments and hopes to implement a certification system on O`ahu.

At its January 23, 2007 meeting, the OWIB formed a “permitted interaction group” to undertake research and make recommendations for board initiatives in education and business partnerships; retention and recruitment of the older workers; and the healthcare industry.

The OWIB collaborated with Roosevelt High School to sponsor a Career Day for the school’s junior class on May 19, 2008. The OWIB members and other business leaders met with nearly 400 juniors. The purpose of this Career Day event was to expose students to a variety of careers and industries to foster greater interest and involvement in the students’ academic studies, extracurricular activities, and/or personal development with a career goal in mind.

Dislocated Workers

O`ahu WorkLinks (“OWL”) services to dislocated workers expanded in response to the shutdown of Aloha and ATA Airlines. The City and County of Honolulu and First Hawaiian Bank sponsored a job fair for former Aloha Airlines, ATA and Weyerhaeuser employees in April 2008. Over 1,660 job seekers attended and 180 employers were on site to recruit with additional employers providing job listings.

Special briefing sessions for the laid-off workers were conducted at Dillingham, Wai`anae and Waipahu One-Stop Centers to expedite enrollment in WIA-funded services, with about 400 former employees receiving orientation and over 200 attending job search activity sessions.

Eligible Aloha Airline employees were enrolled in training as of PY 2007 to upgrade their occupational skills in a variety of fields including computer applications, medical assistants, pharmacy technicians, paralegals, web design, digital media, culinary arts, office administration, cosmetology, and maritime license attainment. Four former pilots chose to change careers and enrolled in Computer Network System Engineering courses and nine chose to upgrade their certification to enable them to fly 737 new-generation aircraft. Three obtained jobs with Evergreen Airlines and Air Japan. The OWL encouraged customers to take advantage of an up to \$500 tuition discount at community colleges. The City later received \$1.4 million from a National Emergency Grant to augment re-employment and re-training services provided under the Dislocated Worker Grant.

WorkHawaii hired a former Aloha flight attendant trainer to conduct job search workshops and outreach, promote OWL services, and provide encouragement, career counseling or job search

tips. In addition to the trainer, WorkHawaii also hired five former Aloha employees as instructors and employment consultants.

The OWL continued to work actively with former Del Monte plantation workers using bilingual staff and accessing NEG grants, Trade Adjustment Assistance (“TAA”), and Alternative Trade Adjustment Assistance (“ATAA”).

The NEG Del Monte project enrolled 234 employees as of the end of June 2008, which was 54 people over the enrollment goal of 180. Two-hundred and five (205) or 88 % have found employment and exited the program. Through the TAA program, 40 were enrolled in occupational skills training in hospitality, commercial drivers licensing, beginning construction, culinary arts, cosmetology, CNA, and office administration. Thirteen received Essential Skills/ESL services and eight attended Career Exploration and Readiness training. The NEG grant ended in November 2007, and services were continued with funds by the Wagner-Peyser program.

Youth Program

Beginning July 1, 2007, the City and County of Honolulu’s WIA Youth Operator started the implementation of the pay-for-service method in serving clients, a change from the traditional sub-recipient agreements. This new relationship with providers allows the Operator to provide the primary case management services for the Youth Program and ensures that youth have the opportunity to select a service provider based on the quality of training; the youth’s feeling of connection to the trainer and a desirable training location. Vendors are paid according to the services provided and outcomes achieved.

In PY 2007, the Youth Operator implemented an Incentive Award Policy that allows youth participants the opportunity to receive monetary incentives based on their performance and attainment of goals identified in their individual service strategy (“ISS”) plan. The implementation of the new policy yielded the following positive results:

- (1) The program met its enrollment goal of 400 participants;
- (2) The percentage of youth who failed to show up for academic testing decreased by 43%; and
- (3) The percentage of youth who dropped out from the competency-based high school diploma program decreased by 44%.

Hawai'i County Workforce Investment Board ("HCWIB")

During PY 2007, the Hawai'i County Workforce Investment Board ("HCWIB") continued to stretch resources with dwindling funds. The employment and economic picture in Hawai'i County differed greatly between June 2007 and June 2008. In order to manage these shifts the HCWIB continued to seek new collaborations while strengthening existing partnerships.

Adult Program

All adult outcomes were met at between 94 and 127% of their targets. The program focused on assisting at-risk populations who were underutilizing services and technology. At-risk populations included first time employed, people with criminal histories, people with disabilities and senior workers. The low unemployment rate at the beginning of PY 2007 encouraged employers to shift their thinking and hire from populations they may not have considered before.

During PY 2007, the HCWIB's WIA management and staff continued to:

- Strengthen the link with Going Home for persons transitioning from incarceration, and Huiana Internship for youth;
- Work closely with all employer forums where the WIA participants could take part in. Employers were very supportive of the WIA-eligible population;
- Dual enroll whenever possible with not only external partners (such as ALU LIKE Inc. and Paxen) but also internal support programs (veterans, national emergency grants, and CNA training). The associated partner staff helped with resources and supportive services to make training and placement a success;
- Co-case manage, which has afforded a more coordinated and seamless follow up of placements (ultimately increasing retention rates);
- Increase the interface with resource centers and on-site training classes that markedly improved participants' employability levels;
- Embark in a renewed employer relations campaign that brought hundreds of employers to One-Stop Centers and employer workshops (which interfaced with Reed Act's employer outreach efforts);
- Markedly improve pre-employment and job retention workshops; and
- Allow hard working, dedicated staff working to work even harder and smarter.

Dislocated Worker Program

The beginning of PY 2007 continued the PY 2006 trend of a growing economy, resulting in few company closures and a very low enrollment rate. The sharp economic slowdown began in January 2008 and led to increased layoffs and business closures, which resulted in an increase in WIA enrollment. All performance measures were within 90% of their goals. Some contributing practices are:

- Increased interface with One-Stop resource centers and on-site training classes that markedly improved participants' employability levels;
- Stronger coordination of State Rapid Response efforts and local efforts allowed for higher enrollments and a heightened understanding of WDD services;
- Partnered with Hawai'i Community College's \$60,000 in Rural Development Project funds to help pay for training modules.
- Innovative initiatives by dedicated staff such as co-case management, dual enrollment and increased business service center outreach.

Youth Program

The HCWIB has two youth service providers who have been serving the populations in Hawai'i County for several years. They continue to build partnerships and leverage resources for better services with less funding. In the youth outcomes there are two areas in which Hawai'i County Youth programs fell below the 80% threshold; older youth retention and older youth credential rates. Although these rates are low, it is significant that only two youth were served and three were exited for the entire year. This highly skews the performance rates if a single youth does not make each performance goal. Some promising practices that youth providers are using include:

- Addressing transportation;
- Collaborating with Department of Education to provide classes and resources on site;
- Communicating with DOE supports for collaboration;
- Working with Family Court, Parole and other agencies to encourage participation;
- Flexibly scheduling to meet the needs of youth and modifying schedules as needed.

Kaua'i Workforce Investment Board

PY 2007 was a year of exciting change that included extensive capacity building events; new youth leadership, staff and programs; the building of collaborative relationships; and working on the county's Workforce Strategic Plan. Despite a 19% reduction in funds over PY 2006 and a 2.77% rescission, the goal was to still serve close to the number of participants as the prior year while maintaining quality service delivery.

- Numerous educational opportunities were provided to One-Stop staff and Board members, including opportunities to attend national conferences to learn about best practices from other parts of the country.
- Girl Scout Council of Hawai'i's Mission to Market Statewide Director and Kaua'i County Manager now chairs the Kaua'i Youth Council.
- Reed Act labor pool expansion initiatives focused on preparing underrepresented populations, leisure and hospitality career preparation, at-risk youth job preparation and career exploration, and in-school career awareness.
- The KWIB hosted the Fourth Industry Tour which focused on the visitor industry's sports and recreation cluster. Educators and counselors from the Department of Education, Kauai Community College ("KCC") and other public agencies learned about career preparation including employment opportunities, required training (on-the-job to long-term training), existing education and training programs, and KSAs or necessary Knowledge, Skills and Abilities for success.
- Co-sponsored a special Job Fair with the local Society for Human Resource Managers ("SHRM") for displaced Aloha Airlines and ATA Airlines workers. Forty-seven employers participated and 98% of the displaced workers and other interested job seekers attended. Based on needs determined at the fair, a Commercial Driver's License Program ("CDL") training class was offered.
- Hosted the Kaua'i's Annual Job Fair in May 2007 with 63 participating employers and over 350 job seekers. Feedback from participants indicated high satisfaction.
- KWIB members and staff continued their volunteer outreach in schools, linking students with the world of work.
- On-going alignment of services of the KWIB, Kaua'i *WorkWise! One-Stop Career Center and Kaua'i Community College Office of Continuing Education and Training ("OCET") and its Kaua'i Rural Development Project ("KDRP") to optimize use of limited training funds.

Program Performance

The base periods for PY 2007 performance results (i.e., Apr 06 - Mar 07 and Oct 06 – Sept 07) corresponded to services managed by current WIA program staff (i.e., one Adult and Displaced Worker case manager and one WIA Administrator) who joined the program in July 2006. In addition, most of the data used for this PY 2007 report were entered by the service providers directly into the HireNet Hawaii system, in contrast to the PY 2006 reported data that was compiled by an automated data conversion. KWIB is more confident that this program year's performance results reflect the intervention activities that KWIB had control over.

Adult and Dislocated Worker Programs

Between January – June 2007, job seeker walk-ins averaged 482 per month, with June having the highest number of 585. During PY 2007, 65 adults and 13 dislocated workers received services through the *WorkWise! One Stop Career Center.

All four Adult performance measures reflected significant improvement over those of PY 2006, with three substantially exceeding goals. This improvement is attributable to the corrections made to the records management system resulting in the more accurate capture of participant data, as well as the follow up and case management conducted with each participant.

Dislocated Worker “Entered Employment” exceeded the negotiated target, while performance results for the other three measures were well over 80% of negotiated targets. Three classes have been added to Kauaʻi’s long-term training matrix due to community demand. These are medical office receptionist, certified driver license Class C, and SCUBA diving instructor.

Three extended CNA training sessions provided tuition and resulted in 30 completers. The WDD sponsored support services for some of the students. The need for CNAs continues to grow due to the demand from skilled nursing and intermediate care facilities. The certificate is also a prerequisite for admission into the KCC nurse training program. Qualified instructor availability continues to be a challenge.

Youth Program

Retention of Older Youth was 100% because the sole exiter remained with the program for the desired duration. The other categories of “Retention” and “Average Earnings” significantly exceeded the goals. The Younger Youth program continues to perform well with all goals achieved, with “Skill” and “Diploma Attainment” having significantly exceeded the goals. During the fall, three youth provider staff became certified to administer the Comprehensive Adult Student Assessment System (“CASAS”) placement test; thus expanding their ability to serve youth participants and keep pre/post literacy and numeracy gains on track, and improved the pre and post-testing process for the participants.

Challenges Ahead

In the second half of PY 2007, Kauaʻi unemployment rose sharply. The KWIB continues to execute the Reed Act labor pool expansion initiatives, which are integrated with the Kauaʻi Comprehensive Economic Development Plan (“CEDS”). In PY 2008, the KWIB will refocus on the changed economic landscape of Kauaʻi, a rural island heavily impacted by the tourism slowdown. Kauaʻi has a 31% funding reduction for PY 2008, and the county also contributes to funding the HireNet Hawaii system. The youth service provider will channel most of the PY 2008 youth funds into the out-of-school program, with in-school funds reduced to only that which is needed for follow up activities of existing participants. Temporary Assistant to Needy Families (“TANF”) program funds will be tapped for the in-school program.

Maui County Workforce Investment Board (“MCWIB”)

The MCWIB continues to oversee and guide the implementation of Maui County’s One-Stop Centers, the Kuina Program at the Maui Community College (“MCC”), and the Maui Business-Education Partnership Program. Sandy Baz, the MCWIB chair and CEO of Maui Economic Opportunity (“MEO”), ensures communication and alignment between workforce development and economic development sectors. A full-time executive director hired near the end of PY 2007 allows the MCWIB to focus on expanding partnerships, and provide increased oversight and assistance to existing programs.

Adult and Dislocated Workers Programs

The WDD and WorkSource Maui operate One-Stop Centers on Maui County’s three populated islands. Other partners include ALU LIKE Inc., the MEO, the MCC, Department of Human Services Division of Vocational Rehabilitation, Hawai’i Job Corps, and Maui Community School for Adults.

The WIA Adult program provided services to 343 persons, with nearly half the number enrolled in skills training that combined classroom learning with work experience opportunities. Examples of courses and programs offered to help meet local employer needs are computer applications, clerical, CDL, CNA, General Education Development (“GED”), English as a Second Language (“ESL”), and entrepreneurship. The Dislocated Worker program enrolled 62% of its 463 participants in training programs. HireNet Hawaii is an integral part of service delivery in these programs, providing support to many rural and isolated locations in Maui County.

WorkSource Maui conducted Rapid Response services for several companies as the economy of Maui county dramatically changed during PY 2007. In addition to closures at Moloka’i Ranch, Aloha Airlines, ATA Airlines, and Maui Land & Pineapple Company, there were layoffs in a number of resorts, food and beverage, retail and other tourism-related companies.

The Reed Act funding in PY 2007 of \$1.508 million for Maui County targeted program development, including capacity building within Maui’s workforce development system and the support of programs that are in danger of substantial downsizing due to the reduction WIA funding.

Business-Education Partnerships (“BEP”)

The Maui BEP program has established a Speaker’s Bureau and company tours to encourage local business people to speak to students about careers in Maui County. A “Conflict Resolution Through Mediation in the Workplace” workshop showed students how to resolve differences in the workplace and in their personal lives. The BEP program is seeking to form a 501(c)(3) organization in order to raise funds for support of career-oriented student projects. The BEP also developed a website, http://maui_bep.beep.com

Youth Program

The Kuina Program at MCC engages high school students in skills building for teamwork, decision-making and positive social behavior. The program works with local businesses to provide internships for students. Reed Act funds for PY 2007 were used to transport students from rural and isolated locations to the Saturday MCC activities, enabling more students to attend the life-changing programs.

During PY 2007, the Kuina Program enrolled 12 students in programs for coursework in culinary arts, liberal arts, business and criminal justice. The program provides offers job-readiness workshops for more students at community sites throughout the three-island service area.

In order to better meet two of the goals not met in MCWIB's performance ("younger youth skill attainment" and "older youth credential rate"), more focus will placed on recruitment of youth who show serious intent to take full advantage of the opportunity to complete the training during PY 2008.

Section Three • WIA Title I-B Results

Negotiated Performance Targets and Results

For PY 2007, the State of Hawai'i met or exceeded 14 of its negotiated performance targets, missed older youth credential/diploma rate target, and could not determine customer satisfaction rates for employers and participants. Hawai'i's PY 2007 performance is summarized in Table 2.

Table 2. PY 2007 Statewide Performance Measure Results Summary

Performance Measure	State Negotiated Performance Levels	State Results	Rating
Entered Employment Rate -Adults	78%	78.2%	met
Entered Employment Rate-Dislocated Workers	78%	85%	exceed
Entered Employment Rate Older Youth	72%	72%	met
Employment Retention Rate- Adults	84%	85.6%	exceed
Employment Retention Rate-Dislocated Workers	85%	89.7%	exceed
Employment Retention Rate-Older Youth	80%	82.9%	exceed
Education Retention Rate- Younger Youth	50%	57.1%	exceed
Average Earnings (2 quarters)-Adult	\$ 10,500	\$12,451	exceed
Average Earnings (2 quarters)-Dislocated Workers	\$ 13,500	\$15,072	exceed
Six Months Earning Increase –Older Youth	\$ 3,700	\$ 4,058	exceed
Credential /Diploma Rate-Adults	61%	70.9%	exceed
Credential/Diploma Rate-Dislocated Workers	65.5%	82.6%	exceed
Credential/Diploma Rate-Older Youth	68%	34.3%	not met
Credential/Diploma Rate-Younger Youth	42%	56.9%	exceed
Skill Attainment Rate-Younger Youth	70%	81.6%	exceed
Customer Satisfaction-Employers	72%	-	-
Customer Satisfaction-Participants	82%	-	-

Source: Appendix Table 0

Low unemployment rate plus more experienced one-stop delivery systems contributed directly to the attainment of negotiated performance targets. Employers needed the workers they can get and one-stop centers were quicker to respond because of more established business service network and resilient management practices. Average earnings gained exceeded negotiated

targets by 9%-18.5%, and this performance is a reflection of a labor supply-demand situation that favored jobseekers.

Credential/diploma rate for dislocated workers and adults exceeded State targets at remarkable levels. Two key changes contributed to this:

- a. Tapping non-WIA resources. One stop delivery systems addressed many training needs by providing onsite training and/or tapping community-based support entities that supported the participants' training costs; and
- b. NEG funds for dislocated workers. This increased the ability to access and afford timely education and training opportunities.

There is a major reason for missing the older youth credential/diploma rate target. In PY 2007, the youth program operator on O`ahu took over the primary case management from service providers and inherited youth cases that were not properly managed (e.g. inappropriate service plan; lack of reliable contact information). A corrective action was instituted to hold service providers more accountable. O`ahu's affiliation with service providers shifted from a sub-recipient to a vendor relationship. Service providers are now paid according to the services provided and outcomes achieved.

The Statewide customer satisfaction survey targets were missed due to a sample size extraction dilemma. The State is working with its management information system vendor, Geographic Solutions, to address a technicality that prevented Hawai`i from conducting customer surveys on time. The problem has been identified and the State will resume customer satisfaction surveys in PY 2008.

There were workforce area strategy variances among local workforce investment areas. For example, Maui's long-standing strategy to focus on higher-paying jobs is reflected in exiters' earnings that are higher than other areas. Kaua'i's long-standing younger youth strategy reflects better younger youth performance results than other areas.

Although Hawai`i met negotiated performance targets, the State is mindful of the declining number of participants served. The number of participants served is positively correlated to reduced WIA funding levels and adaptive adjustments to retroactive rescissions.

The appendix at the end of this report contains the required tables of performance results. The data is based on the September 30, 2008 run date for submittal to USDOL.

Program Cost

Hawai`i spent a total of \$6,820,912 and this reflects funds expended from the PY 2007 allocation and carry-overs from PY 2006. As part of the continuing effort to explore program efficiency and cost allocation, Hawai`i is again reporting cost per participant based on program cost divided by number of participants (Table 3). This year's estimate is consistent with previous years' estimates where cost per adult participant is lowest and cost per youth participant is highest. The cost per participant under each program should be used cautiously and with the understanding

that the methodology applied is biased towards exaggerated “cost per participant” estimates. The number of participants captured in the negotiated performance represents only a fraction of the total WIA customers. Reported expenditures apply to activities that also benefit customers other than participants and exiters.

Table 3. Cost Per Participation for Three WIA Title 1-B Programs

Program	Reported Expenditure	Reported Number of Participants Served	Average Annual Cost Per Participant
Adult Services	\$ 2,433,428	1,352	\$ 1,799.87
Dislocated Workers	\$ 1,496,709	714	\$ 2,096.23
Youth	\$ 1,871,434	617	\$ 3,033.12
Total	\$ 5,801,571	2,683	\$ 2,162.34

Source of Data: Appendix, Tables N and O

Program Evaluation

In PY 2007, the WDC tasked an ad hoc committee to review the State’s Comprehensive Workforce Development Plan that was prepared in 2001 and updated annually. The review was the beginning of an overall evaluation of the effectiveness of workforce development system and the efficiency of programs. The ad hoc committee concluded that there was a need to plan anew. The WDC re-authorized a planning committee to lead the strategic planning process. In PY 2008, the WDC will complete a comprehensive state workforce development plan and will recommend a comprehensive evaluation of various federal and state-funded workforce development programs.

Appendix: WIA Performance Tables

Table A – Workforce Investment Act Customer Satisfaction*

Customer Satisfaction	Negotiated Performance Level – ACSI	Actual Performance Level – ACSI	Number of Customers Surveyed	Number of Customers Eligible for the Survey	Number Included in the Sample	Response Rate
Participants	82%	-	1	2	2	50
Employers	72%	-	1	2	2	50

Table B - Adult Program Results

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	78%	78.2%	254
			325
Employment Retention Rate	84%	85.6%	255
			298
Average Earnings	\$10,500	\$12,451	\$3,087,737
			248
Employment And Credential Rate	61	70.9%	144
			203

Table C - Outcomes for Adult Special Populations

Reported Information	Public Assistance Recipients Receiving Intensive or Training Services		Veterans		Individuals With Disabilities		Older Individuals	
Entered Employment Rate	71.9%	41	68.2%	15	42.9%	3	73.7%	14
		57		22		7		19
Employment Retention Rate	79.6%	43	68.8%	11	100%	5	100.0%	14
		54		16		5		14
Average Earnings	\$9,505	\$408,696	\$16,739	\$167,388	\$8,707	\$43,535	\$13,331	\$186,625
		43		10		5		14
Employment And Credential Rate	57.8%	26	50%	6	25%	1	40.0%	2
		45		12		4		5

Table D - Other Outcome Information for the Adult Program

Reported Information	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
Entered Employment Rate	76.4%	110	79.6%	144
		144		181
Employment Retention Rate	84.6%	126	86.6%	129
		149		149
Average Earnings	\$13,523	\$1,663,354	\$11,395	\$1,424,384
		123		125

Table E - Dislocated Worker Program Results

Measure	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	78%	85%	238
			280
Employment Retention Rate	85%	89.7%	210
			234
Average Earnings	\$13,500	\$15,072.30	\$3,074,749
			204
Employment And Credential Rate	65.5%	82.6%	95
			115

Table F - Outcomes for Dislocated Worker Special Populations

Reported Information	Veterans		Individuals With Disabilities		Older Individuals		Displaced Homemakers	
Entered Employment Rate	82.4%	14	0	0	77.1%	37	66.7%	2
		17		1		48		3
Employment Retention Rate	82.4%	14	100	1	75%	21	0.0	0
		17		1		28		0
Average Earnings	\$15,137.60	\$211,926	\$8,057	\$8,057	\$11,264.70	\$236,558	0	0
		14		1		21		0
Employment And Credential Rate	62.5%	5	0	0	90%	9	50.0%	1
		8		1		10		2

Table G - Other Outcome Information for the Dislocated Worker Program

Reported Information	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
Entered Employment Rate	91.1%	102	81.0%	136
		112		168
Employment Retention Rate	90.7%	88	89.1%	122
		97		137
Average Earnings	\$16,464	\$1,415,863	\$14,058	\$1,658,887
		86		118

Table H.1 - Youth (14-21) Program Results

	Negotiated Performance Level	Actual Performance Level	
Placement in Employment or Education	---	50.5%	154
			305
Attainment of Degree or Certificate	---	48.5%	130
			268
Literacy and Numeracy Gains	---	19.0%	8
			42

Table H.2 - Older Youth (19-21) Results

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	72%	72%	18
			25
Employment Retention Rate	80%	82.9%	29
			35
Earnings Change	\$3,700	\$4,058	\$ 142,030
			35
Credential Rate	68%	34.3%	12
			35

Table I - Outcomes for Older Youth Special Populations

Reported Information	Public Assistance Recipients		Veterans		Individuals With Disabilities		Out-of-School Youth	
Entered Employment Rate	75%	3	---	---	---	---	68.2%	15
		4		1		1		22
Employment Retention Rate	100%	2	---	---	---	---	81.3%	26
		2		1		1		32
Earnings Change	\$1,232	\$2,464	---	---	---	\$0	\$3,775	\$120,799
		2		1		1		32
Credential Rate	80%	4	---	---	---	---	29%	9
		5		1		1		31

Table J - Younger Youth (14-18) Results

	Negotiated Performance Level	Actual Performance Level	
Skill Attainment Rate	70%	81.6%	533
			653
Youth Diploma or Equivalent Rate	42%	56.9%	99
			174
Retention Rate	50%	57.1%	100
			175

Table K - Outcomes for Younger Youth Special Populations

Reported Information	Public Assistance Recipients		Individuals With Disabilities		Out-of-School Youth	
Skill Attainment Rate	85.7%	72	74.7%	59	82%	347
		84		79		423
Youth Diploma or Equivalent Attainment Rate	45.8%	11	70%	7	44.8%	52
		24		10		116
Retention Rate	57.1%	8	25%	1	56.2%	73
		14		4		130

Table L - Other Reported Information

Reported Information	12 Month Employment Retention Rate		12 Mo. Earnings Increase (Adults and Older Youth) or 12 Mo. Earnings Replacement (Dislocated Workers)		Placements in Nontraditional Employment		Wages At Entry Into Employment For Those Individuals Who Entered Unsubsidized Employment		Entry Into Unsubsidized Employment Related to the Training Received of Those Who Completed Training Services	
Adults	82.7%	224	\$6,432	\$1,697,944	2.0%	5	\$5,699	\$1,436,148	10%	11
		271		264		254		252		110
Dislocated Workers	87.4%	202	97.9%	\$3,132,436	1.7%	4	\$7,312	\$1,703,578	8.8%	9
		231		\$3,199,423		238		233		102
Older Youth	81.8%	27	\$5,019	\$165,625	0%	0	\$1,686	\$26,977		
		33		33		17		16		

Table M - Participation Levels

Reported Information	Total Participants Served	Total Exiters
Total Adult Customers	2,052	1,410
Total Adults (self-serve <u>only</u>)	48,357	41,986
WIA Adults	1,352	1,151
WIA Dislocated Workers	714	270
Total Youth (14-21)	616	297
Younger Youth (14-18)	577	273
Older Youth (19-21 yrs)	39	24
Out-of-School Youth	404	168
In-school Youth	212	129

Table N - Cost of Program Activities

July 1, 2005– June 30, 2006

Program Activity		Total Federal Spending
Local Adults		\$ 2,433,428
Local Dislocated Workers		\$ 1,496,709
Local Youth		\$ 1,871,434
Rapid Response (up to 25%) WIA Section 134(a)(2)(A)		\$ 33,924
Statewide Required Activities (up to 15%) WIA Section 134(a)(2)(B)		\$ 834,686
Statewide Allowable Activities WIA Section 134 (a) (3)	Program Service (WDC)	\$ 150,731
Total of All Federal Spending Listed Above		\$ 6,820,912

Table O – STATE Performance

STATE OF HAWAII	Total Participants Served	Adults	1,352	
		Dislocated Workers	714	
		Older Youth (19-21)	40	
		Younger Youth (14-18)	577	
ETA Assigned # 15000	Total Exiters	Adults	1,151	
		Dislocated Workers	270	
		Older Youth (19-21)	25	
		Younger Youth (14-18)	273	
		Negotiated Performance Level	Actual Performance Level	
Customer Satisfaction	Program Participants	82%	---	
	Employers	72%	---	
Entered Employment Rate	Adults	78%	78.2%	
	Dislocated Workers	78%	85%	
	Older Youth	72%	72%	
Retention Rate	Adults	84%	85.6%	
	Dislocated Workers	85%	89.7%	
	Older Youth	80%	82.9%	
	Younger Youth	50%	57.1%	
Average Earnings (Adults, Dislocated Workers) Six Months Earnings Increase (Older Youth)	Adults	\$10,500	\$12,450	
	Dislocated Workers	\$13,500	\$15,072	
	Older Youth	\$3,700	\$4,058	
Credential/Diploma Rates	Adults	61%	70.9%	
	Dislocated Workers	65.5%	82.6%	
	Older Youth	68%	34.3%	
	Younger Youth	42%	56.9%	
Skill Attainment Rate	Younger Youth	70%	81.6%	
Placement in Employment or Education	Youth (14-21)	---		
Attainment of Degree or Certificate	Youth (14-21)	---		
Literacy or Numeracy Gains	Youth (14-21)	---		
Overall Status of STATE Performance		Not Met	Met	Exceeded
Note: Two Customer Satisfaction Outcomes not included.		1	2	12

Table O – Local Performance

Local Area Name OAHU	Total Participants Served	Adults	1,041	
		Dislocated Workers	487	
		Older Youth (19-21)	22	
		Younger Youth (14-18)	359	
ETA Assigned # 15005	Total Exiters	Adults	913	
		Dislocated Workers	145	
		Older Youth (19-21)	17	
		Younger Youth (14-18)	203	
		Negotiated Performance Level	Actual Performance Level	
Customer Satisfaction	Program Participants	82%	---	
	Employers	72%	---	
Entered Employment Rate	Adults	78%	80%	
	Dislocated Workers	78%	85%	
	Older Youth	72%	63%	
Retention Rate	Adults	84%	85%	
	Dislocated Workers	85%	90%	
	Older Youth	80%	88%	
	Younger Youth	50%	58%	
Average Earnings (Adults, Dislocated Workers)	Adults	\$10,500	\$12,666	
Six Months Earnings Increase (Older Youth)	Dislocated Workers	\$13,500	\$16,534	
	Older Youth	\$3,700	\$4,260	
Credential/Diploma Rates	Adults	61%	70%	
	Dislocated Workers	66%	84%	
	Older Youth	68%	29%	
	Younger Youth	42%	58%	
Skill Attainment Rate	Younger Youth	70%	88.0%	
Placement in Employment or Education	Youth (14-21)	---	45%	
Attainment of Degree or Certificate	Youth (14-21)	---	44%	
Literacy or Numeracy Gains	Youth (14-21)	---	85%	
Overall Status of OAHU Performance		Not Met	Met	Exceeded
Note: Two Customer Satisfaction Outcomes not included.		1	1*	13
*Met within 80% of target level				

Table O – Local Performance

Local Area Name HAWAII COUNTY	Total Participants Served	Adults	216	
		Dislocated Workers	139	
		Older Youth (19-21)	2	
		Younger Youth (14-18)	112	
ETA Assigned # 15010	Total Exiters	Adults	156	
		Dislocated Workers	67	
		Older Youth (19-21)	3	
		Younger Youth (14-18)	25	
		Negotiated Performance Level	Actual Performance Level	
Customer Satisfaction	Program Participants	82%	---	
	Employers	72%	---	
Entered Employment Rate	Adults	78%	73%	
	Dislocated Workers	78%	82%	
	Older Youth	72%	100%	
Retention Rate	Adults	84%	83%	
	Dislocated Workers	85%	88%	
	Older Youth	80%	63%	
	Younger Youth	50%	41%	
Average Earnings (Adults, Dislocated Workers)	Adults	\$10,500	\$10,815	
Six Months Earnings Increase (Older Youth)	Dislocated Workers	\$13,500	\$12,546	
	Older Youth	\$3,700	\$3,571	
Credential/Diploma Rates	Adults	61%	60%	
	Dislocated Workers	66%	83%	
	Older Youth	68%	50%	
	Younger Youth	42%	38%	
Skill Attainment Rate	Younger Youth	70%	75%	
Placement in Employment or Education	Youth (14-21)	---	74%	
Attainment of Degree or Certificate	Youth (14-21)	---	81%	
Literacy or Numeracy Gains	Youth (14-21)	---	0%	
Overall Status of HAWAII COUNTY Performance		Not Met	Met	Exceeded
Note: Two Customer Satisfaction Outcomes not included.		1	9	5
*Met within 80% of target level				

Table O – Local Performance

Local Area Name KAUA'I	Total Participants Served	Adults	65	
		Dislocated Workers	13	
		Older Youth (19-21)	5	
		Younger Youth (14-18)	67	
ETA Assigned # <u>15020</u>	Total Exiters	Adults	59	
		Dislocated Workers	15	
		Older Youth (19-21)	2	
		Younger Youth (14-18)	22	
		Negotiated Performance Level	Actual Performance Level	
Customer Satisfaction	Program Participants	82%	---	
	Employers	72%	---	
Entered Employment Rate	Adults	78%	77%	
	Dislocated Workers	78%	83%	
	Older Youth	72%	-	
Retention Rate	Adults	84%	100%	
	Dislocated Workers	85%	83%	
	Older Youth	80%	100%	
	Younger Youth	50%	50%	
Average Earnings (Adults, Dislocated Workers)	Adults	\$10,500	\$16,899	
Six Months Earnings Increase (Older Youth)	Dislocated Workers	\$13,500	\$11,330	
	Older Youth	\$3,700	\$3,627	
Credential/Diploma Rates	Adults	61%	82%	
	Dislocated Workers	65.5%	63%	
	Older Youth	68%	-	
	Younger Youth	42%	64%	
Skill Attainment Rate	Younger Youth	70%	95%	
Placement in Employment or Education	Youth (14-21)	---	52%	
Attainment of Degree or Certificate	Youth (14-21)	---	40%	
Literacy or Numeracy Gains	Youth (14-21)	---	-	
Overall Status of KAUA'I Performance		Not Met	Met	Exceeded
Note: Two Customer Satisfaction Outcomes not included. *Met within 80% of target level		2	5*	8

Table O – Local Performance

Local Area Name MAUI COUNTY	Total Participants Served	Adults	30
		Dislocated Workers	75
		Older Youth (19-21)	11
		Younger Youth (14-18)	39
ETA Assigned # 15015	Total Exiters	Adults	23
		Dislocated Workers	43
		Older Youth (19-21)	3
		Younger Youth (14-18)	23
		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants	82%	---
	Employers	72%	---
Entered Employment Rate	Adults	78%	87%
	Dislocated Workers	78%	83%
	Older Youth	72%	100%
Retention Rate	Adults	84%	89%
	Dislocated Workers	85%	94%
	Older Youth	80%	100%
	Younger Youth	50%	89%
Average Earnings (Adults, Dislocated Workers)	Adults	\$10,500	\$11,230
Six Months Earnings Increase (Older Youth)	Dislocated Workers	\$13,500	\$16,055
	Older Youth	\$3,700	\$6,232
Credential/Diploma Rates	Adults	61%	50%
	Dislocated Workers	65.5%	0%
	Older Youth	68%	0%
	Younger Youth	42%	0%
Skill Attainment Rate	Younger Youth	70%	44%
Placement in Employment or Education	Youth (14-21)	---	88%
Attainment of Degree or Certificate	Youth (14-21)	---	82%
Literacy or Numeracy Gains	Youth (14-21)	---	0%

Overall Status of MAUI COUNTY Performance	Not Met	Met	Exceeded
Note: Two Customer Satisfaction Outcomes not included. *Met within 80% of target level	4	1	10

