**Employer Engagement Committee**

**Brief to Governor Josh Green and Staff March 2, 2023**

**Chair: Brian Tatsumura**

**Co-chair: Cheryl Cross**

**Summary: The Employer Engagement Committee is focused on the connection between business and resources offered through WIOA supported training programs and support systems, like the American Job Centers (AJC) on Oahu, Island of Hawaii, Kauai and Maui. Our Committee is constantly looking at ways to tackle the bigger problems of our State employment, to include underserved populations, or opportunity populations. Our volunteer team meets 3x yearly to discuss labor trends, training opportunities and workforce development needs that emerge, and ways we can partner with the State of Hawaii through the AJC, other State programs supported by grants awarded to the State.**

**Current State:** We have two key initiatives from 2022-23. Increase CDL – Class A drivers for the State of Hawaii to address the lack of qualified drivers and the Workforce Opportunity Tax Credit reimbursement, a federal tax credit that is given back to employers who hire qualified applicants.

* + **CDL - Logistics**
* Substantial lack of Class A CDL (Federal Commercial Driver’s License) certified drivers in the State of Hawaii and nationwide.
* EE Committee explored statewide training options and found substantial lack of training locations and opportunities. The initial research showed:
  + Leeward Community College (max class size of 6)
  + Private firm on the Big Island
  + Apprentice program through Roberts Hawaii
* Graphical user interface, website

  Description automatically generatedWith the help of the former Workforce Development Council Interim Executive Director Harrison and his team we connected with Hawaii Trades Alliance, part of the Council for Native Hawaiian Advancement. We were able to tour their facility at the Hawaiian Homestead in Kapolei.
* Hawaii Trades Alliance provides class A CDL training. Class size is 20 students with an 85% graduation rate. Approx 60 students have received their CDL permit.
* **Cons: Tuition, Personal transportation and childcare are major obstacles for individuals desiring this career change, and for those with certifications/licenses who want career advancement.**
* **Pros: Training location in Kapolei is ideal. As companies relocate to the Kapolei area for warehousing and delivery, individuals would be able live and work in their community.**
* Hawaii Trades Alliance aligns with our Employer Engagement Committee and overall Workforce Development Council mission.
* On February 1st, 2023 the Hawaii Trades Alliance were added to the Eligible Training Provider list for the State. On the ETP list HTA applicants would qualify for funding and other services under WIOA.
* **Next Steps**
* Hawaii Trades Alliance will tour the AJC (American Job Center) and work with the Oahu Workforce Development Board with executive director Harrison Kuranishi. We have requested the AJC team visit HTA academy in order to determine any additional services that can be provided to the community. The thought here is that since they have a list of people interested and have a ongoing relationship with them it would be beneficial to use their location as a hub for future engagement.
* **Workforce Opportunity Tax Credit (WOTC)**
* WOTC is a federal tax credit available to employers as an incentive to hire job seekers from target groups who consistently experience high rates of unemployment. Employers can receive a credit ranging from $1,200 to $9,600. Employers continue to struggle under the current business conditions, the EE committee decided to focus on this federal tax credit.
  + - 2019: approximately 12,000 applicants pending for State of Hawaii
    - 2022: a little over 30,000 applicants pending
    - Initial goal: Move the needle to increase application completion.
      * *Low estimate: 10% Applicant Approval Tax Credit of $2400 per would return $7.2 million dollars to the business community.*
  + Most of the certificate applications are based on employees who qualify, including long term unemployment (35%), SNAP & TANF (65%) recipients. Other groups, such as disadvantaged Veterans are also highlighted. Full list: https://labor.hawaii.gov/wdd/employers/wotc/
  + Have received support from the Workforce Development Department (WDD) through Jarrett Yip and program support, Duke Olds. Team is in process with a beta test system, using a file transfer protocol that would allow information to be transferred between departments rather than having to be done manually.
  + The committee chairs and WDD staff have been looking at other states, ones that have successfully managed their WOTC applications and certificates. They are (most likely) using advanced technology, including software and data analytics and algorithms to automate both the backlog and future applications.

**Future State:** Both CDL and WOTC projects are ongoing and need to be reviewed/monitored on a consistent basis. Benchmarks need to be placed in order to deliver a meaningful outcome. Suggest our committee partner up with the other committees in order to develop a more unified game plan.

We would request the State of Hawaii look at ways to bolster both programs, including the addition of sites that can train drivers. Also, the purchase and implementation of new tech and software to aid the departments handling the WOTC tremendous backlog and continuous applications.