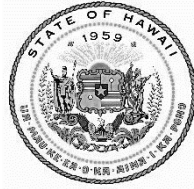


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GOVERNOR

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LIEUTENANT GOVERNOR



JADE T. BUTAY  
DIRECTOR

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DEPUTY DIRECTOR

MARICAR PILOTIN-FREITAS  
ADMINISTRATOR

**STATE OF HAWAI'I  
KA MOKU'ĀINA O HAWAI'I  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
KA 'OIHANA PONO LIMAHANA  
WORKFORCE DEVELOPMENT DIVISION**

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**HAWAII WORKFORCE DEVELOPMENT  
COUNCIL  
AD HOC COMMITTEE FOR LOCAL BOARD  
RE-CERTIFICATION  
Monday, August 7, 2023  
12:00p.m. – 1:00p.m.**

*Due to the COVID-19 pandemic, protecting the health and welfare of the community is a priority. The meeting was held remotely, with Board members and staff participating via an online meeting venue.*

**ATTENDEES:**

Ken Loui, Chair, Workforce Development Council, Vice President, Pacific Marine  
Kelly Ueoka, President, Pacxa, Chair, Ad-Hoc Committee for Re-certification  
Rona Fukumoto, President and CEO, Lanakila Pacific, Committee Member, Ad-Hoc Committee for Re-certification  
Keith DeMello, Senior Vice President of Communications and External Affairs, Ulupono Initiative, Committee Member, Ad-Hoc Committee for Re-certification

**STAFF:**

Bennette Misalucha, DLIR Workforce Development Council, Executive Director  
Lisa Simmons, DLIR Workforce Development Division, Program Specialist  
Daven Kawamura, DLIR Workforce Development Division  
Jacqueline Lodge, DLIR Workforce Development Council

**PUBLIC:**

Michael Yadao, Executive Director, Hawaii Masons and Plasterers Stabilization

## MINUTES

**I. Call to order**.....Executive Director, Bennette Misalucha

The Ad-Hoc Committee meeting was called to order at 12:01p.m. by Executive Director Bennette Misalucha

**II. Review of Purpose of the Ad-Hoc Committee**

Bennette Misalucha noted that certification for neighbor island boards has lapsed. Oahu Workforce Development Board’s certification lapsed June 30, 2023. As such, local boards can’t enter contracts. Boards are required to be certified every two years. Bennette Misalucha sent an email asking local boards to provide relevant information. Today the committee is considering Oahu Workforce Development Board to see whether they qualify for certification. Committee Chair Kelly Ueoka will present their recommendations at the full council meeting on August 17, 2023.

**III. Presentation of Application and Data**

A. Federal requirements – 3 tenants to consider (refer to pages 1-3 in attached packet). The packet can be found here: <https://labor.hawaii.gov/wdc/files/2023/11/Oahu-Workforce-Development-Board-Re-certification-documents-sent-to-committee.pdf>

1. Board composition requirement – 51% must be from private sector, 20% must represent workforce in the local area
2. Sustained Fiscal Integrity
3. Sustained Performance
  - a. State and local score are considered
4. Years considering:
  - a. 2019 – 2020
  - b. 2020 – 2021
  - c. 2021 – 2022 – not available, data expected to be ready around October 2023
  - d. U.S. Department of Labor Federal Project Officer Anthony Crouch confirmed its OK if we are considering 2 subsequent years (i.e. – 2019 – 2020 and 2020 – 2021)

**B. Board composition**

1. Oahu Workforce Board has 2 vacancies since June 2023
2. There should be a total of 19 seats, currently only 17 are filled
3. Required seats must have 51% from the private sector
4. Need to fill those 2 empty spots in order to meet 51% requirement
5. Committee Chair and Ad-Hoc committee will recommend –
  - a. Provisional certification
  - b. Must comply and fill both vacancies
  - c. Suggested time frame to comply is 2- 3 months (as advised by committee)
  - d. Since Oahu Workforce Development Board has been working on this since June 2023, the committee agrees that 90 days is a reasonable time for the board to comply, and it includes on-boarding
6. Local board labor organizations – confirm they are in compliance
7. Education and training activities – confirm they are in compliance
8. Government representative – confirm they are in compliance

**C. Sustained Fiscal Integrity**

1. Bennette Misalucha clarified that this refers to lack of fraud, no misuse of funds. This is black and white with no grey area.
2. DLIR Acting Administrative Services Officer Francis Kagawa signed off on their fiscal integrity
3. Even though their budget hasn't submitted in over a year, the committee is able to certify Oahu Workforce Development Board
  - a. The focus is on their integrity or how they are spending their money, and not on administrative issues like not submitting their budget or contracts on time
4. They must abide by the requirements set by U.S. Department of Labor
5. Budget – Lisa Simmons
  - a. In the past they submitted budgets. Initially, they were not approved, but they have since been approved
  - b. 2023 was submitted (late)
    - i. Deadline was February 2023 and they were just a few days late
    - ii. Lisa Simmons noted they are improving on meeting deadlines
  - c. Bennette Misalucha noted this is an opportunity to get their attention regarding administrative matters related to financial matters.
    - i. Infrastructure Funding Agreement (IFA)
      - a.) There has not been an IFA for 2 years. It was due February 2023 but was not submitted in time.
      - b.) It is required when renting to other organizations / partners and when sharing costs related to rent
      - c.) It is negotiated between all partners, such as Division of Vocational Rehabilitation, who are supposed to be in AJC even if they are not in the Federal Acquisition Certification in Contracting Program (FAC-C). They are required to participate and fund.
      - d.) Must have individual contracts so Workforce Development Division (WDD) is not left “holding the bag”
      - e.) It is currently in negotiation as it is the budget for AJC
  - d. Oahu Workforce Development Board moved to a new office at the Dole Cannery Offices in Iwilei in 2020
    - i. Veterans and U.S Department of Labor pay a portion of the rent, but it has not been negotiated
    - ii. Currently there is no contract regarding rent or charges related to rent
    - iii. WDD can potentially withhold funds
    - iv. Negotiation with partners has started, status = it's still in negotiation
      - a.) Lisa Simmons noted that it's a complicated process, which is a cause of the delay
      - b.) Lisa Simmons noted other reasons for delay - some partners may not want to be in that physical location
    - v. They submitted a proposal and grant has been extended

**D. Performance – Lisa Simmons helped to clarify how board performance is measured**

1. These are target goals for each county / board
2. Indicators –
  - a. Employment rate 2<sup>nd</sup> quarter after exit - how many people were placed in jobs after 6 months from exiting program

- b. Employment after 4<sup>th</sup> quarter
  - c. Median earnings 2<sup>nd</sup> quarter after exit
  - d. Credential attainment – did they receive additional training or industry recognized potential, a diploma, a degree, etc.
  - e. Measurable skill gains – did their test scores improve?
  - f. Overall score = average of all of the above
3. Negotiated score vs. Indicator score
- a. The negotiated score is first given by U.S. Department of Labor based on a model, then the State negotiates based on local numbers and economic data based on population, capacity, etc.
  - b. From there, they agree on a “adjusted level” and send to county boards
  - c. Statistical Adjusted Model (SAM) is the recommended level based on actual performance and economic data
    - i. The last part of second year numbers are called “regression”
    - ii. There is more information on website regarding definition of levels
  - d. Indicator score shows how close they came to meeting the goal
    - i. Lisa Simmons will check with Anthony Crouch what is acceptable
    - ii. Bennette checked with Anthony Crouch to see if it was OK if Oahu Workforce Development Board used the model provided by U.S. Department of Labor
    - iii. Anthony Crouch confirmed that Oahu’s numbers are passable
    - iv. If it’s over 100% then it means they exceeded their goal
  - e. Lisa Simmons pointed out that scores for 2021 – 2022 has not been issued yet
  - f. Evaluating: 2019-2020 vs 2020 – 2021
    - i. 2020 – 2021 shows an improvement
      - a.) 2020 – 2021 Challenges = Youth Program
        - i.) Median earnings 2<sup>nd</sup> quarter
        - ii.) Measurable skills gained
          - Rechecking these figures during data validation, as it may have been under-reported
          - Training may be under-utilized and may affect credential attainment
          - Lisa Simmons agrees that a DOL monitor would make a statement re: under-utilized training as well
      - b.) Bennette Misalucha noted that under-utilized training can also be applied to dislocated workers for 2020 - 2021

**E. Flow of funding – Bennette Misalucha**

- 1. Bennette Misalucha explained that funding comes from the federal government and goes to WDD or First of Division
- 2. From there, WDD distributes it to county boards
- 3. County boards have 2 years to spend the money
- 4. After two years any un-used funds go back to the State
  - a. Reasons why there is un-used funding
    - i. Lack of outreach
    - ii. Policies are in place but limited
    - iii. Limited access to training

- b. There was a leadership transition for the Oahu Workforce Development Board in 2023
  - i. Executive Director Alison Lum left in early 2022
  - ii. Alison Lum's replacement was Nicole Kurashige
  - iii. Nicole Kurashige's replacement was Harrison Kuranishi
  - iv. *Note: this transition does not affect the data pulled above, as it was prior to leadership changes*
- 5. The State has 1 year to use the leftover funds
- 6. Bennette Misalucha pointed out that the goal would be not to send any money back to the State
- 7. In total, there are 3 years to use the funds

#### **IV. Open discussion regarding local board re-certification**

##### **A. Oahu Workforce Development Board's overall score**

- a. WDC Chair Ken Loui noted this is most important figure to consider
- b. The overall score reflects average of the other scores
- c. Oahu Workforce Development Board is over 100%, which is passable, as advised by Lisa Simmons
- d. Bennette Misalucha suggested that we give all boards the details on what they will be measured on to show transparency and review their performance annually, so that there are no surprises after 2 years
- e. New U.S. Department of Labor sanctions – Lisa Simmons
  - i. Recommend checking their website for details and more information
  - ii. Sanctions clarify what happens if board fails 1 / 2 / 3 years in a row
- f. How does the State spend the money that is returned?
  - i. Must fall into accepted Workforce Innovation and Opportunity Act (WIOA) programs
- g. For other counties (Big Island and Maui) – May Ferrer is the Program Specialist and will consolidate the performance scores
- h. Sanctions – Lisa Simmons
  - i. Based on 2021 – Maui and Big Island will not pass
  - ii. Bennette Misalucha noted that both boards have new leadership who are appointed by the mayor, and there is an on-boarding / transition process

#### **V. Committee Recommendation and Next Steps**

**A. Committee Chair Ueoka will give Oahu's summary page to the full board and suggest that the board give Oahu a conditional pass on at the next council meeting on August 17, 2023**

**B. Lisa Simmons will advise that Oahu's overall score is over 100% or passable**

**C. Oahu summary -**

- 1. Board composition = conditional for reasons noted below
  - a. Oahu Workforce Development Board must fill vacancies and ensure that 51% of their board composition comes from private sector in order to comply with federal requirements
  - b. They have 90 days to comply with above
  - c. Upon compliance they will receive certification
- 2. Sustained Fiscal Integrity = pass
- 3. Sustained Performance = pass
- 4. Final recommendation from Chair Ueoka = re-certification is due in 90 days

**VI. Announcements and Public Testimony (if any)**

There were no announcements or public testimony.

**VII. Next meeting schedule**

The next committee meeting will be determined later, pending when information from local boards Big Island and Maui are received.

**VIII. Adjournment**

Chair Kelly Ueoka adjourned the meeting at 1:05p.m.

DRAFT