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November 15, 2024

TO: Mr. Ken Loui, Chairperson
Workforce Development Council

FROM: Jade T. Butay, Director 
Department of Labor and Industrial Relations

SUBJECT: WIOA Funds

I remain deeply concerned about the under-utilization of Workforce Innovation and Opportunity Act (WIOA) funds, which are intended to increase access to—and opportunities for—the employment, education, training, and support services for low-income adults, dislocated workers, and low-income youth i.e. the WIOA target populations. As the authorized official with delegated authority under Gov. Green and considering the transition pursuant to Act 230 (SLH, 2024), I have established a working group in collaboration with the Executive Director to address this critical issue. This working group has been frequently and diligently meeting to significantly improve fund utilization and service delivery to the Adult, Dislocated Workers, and Youth (A/DW/Y) populations.

This working group is delineating the roles and responsibilities of the Hawaii Workforce Development Council (WDC) and the Department in accordance with the WIOA law and the associated Code of Federal Regulations (CFR). My hope is that this effort will result in enhanced service delivery for the A/DW/Y populations, bearing in mind the cyclical nature of WIOA funds, staffing expertise and sustainability, and strict adherence to grant obligations for which I bear responsibility.

An unfortunate consequence of current levels of service for the A/DW/Y populations is the level of unexpended funds available for statewide projects under 20 CFR 683.110(c)(2)(i). These unexpended funds, in accordance with 20 CFR 683.120(b) State Reserve, are used for statewide employment and training activities as outlined in 20 CFR 682.200 (required) & 682.210 (allowable). I have allocated a portion of these funds—\$1.5M—for the WDC to expend for statewide activities and projects benefiting

the vulnerable A/DW/Y populations. I have asked the working group to formulate initiatives to improve service delivery and proposals to effectuate the purposes of required or allowable statewide activities in conformity with the WIOA.

Additionally, I have asked the working group to develop a research proposal to procure external research that will guide our collective efforts to improve the WIOA workforce system. I believe this information will empower all partners, including the State, to make informed improvements. Concurrently, I have allocated State Reserve funds to enhance internal fiscal and administrative controls within the DLIR. Relatedly, State Reserve funds were used to provide statewide case management training for service providers and staff at the American Job Centers (AJCs).

Approximately \$1M of the funds involve three projects vetted by the working group that are designed to either enhance or provide services to the A/DW/Y populations. I am confident in the working group's collaborative process and its potential to create a replicable model for future use. I also support the Executive Director's initiative to increase public awareness of the workforce services provided by the AJCs through procurement of targeted outreach efforts.

In closing, thank you for your ongoing commitment and dedication to Hawaii's public workforce system.

c: Bennette Misalucha, Executive Director