

**Meeting of the
WORKFORCE DEVELOPMENT COUNCIL
Tuesday, December 1, 2009, 9:00 a.m.
830 Punchbowl Street, Rm. 310
Honolulu HI 96813**

Members Present

Ezra Bendiner (for Governor Linda Lingle), Darwin Ching, Allen Chung, Will Espero, Randall Francisco, Michael Gleason, Signe Godfrey, Carl Hinson, Steven Lee (for Ted Liu), Marilyn Matsunaga (for Mufi Hannemann), Nani Medeiros, Jeffrey Piontek, Karl Rhoads, Marcia Taira, Norman Sakamoto, Chris Tatum, Marcia Taira, Lance Wilhelm, Gregg Yamanaka,

Other Attendees

Vaughn Baker (UHCC), Tammi Chun (UH – P-20), Stanford Fichtman (WDC), James Hardway (WDC), Carol Kanayama (WDD), Kevin Kileen (Public), Dayle Kobashigawa (DLIR), Angela Meixell (UH CTE), Kathleen Nielsen (Hawaii County OHCD), Anna Powell (WDC), David Rolf (Hawaii Auto Dealers Association), Howard Wiig (DBEDT)

Call to Order

Chair Gregg Yamanaka called the meeting to order at 9:20 a.m.

Public Input on Agenda

There was no public input.

Approval of the August 13, 2009 Minutes

A motion was made and seconded and the minutes were approved.

Q&A on LWIB, WDD, and WDC Staff Reports

None.

Introduction of New Members

Chair Yamanaka introduced and welcomed new Council members Carl Hinson (Hawaii Pacific Health), Representative Karl Rhoads (Legislature), Jeffrey Piontek (Hawaii Technology Academy) and Nani Medeiros (Hawaii Primary Care Association).

Presentations

1. “Statewide Longitudinal Data System for Educational Improvement”

An outline of the presentation is attached.

Ms. Oyadomori-Chun answered questions about Race to the Top. Applicants are required to agree to four assurances: benchmark high school and college standings; improve teaching and leadership; address the bottom 5% of struggling schools; and develop a longitudinal data system. Many grants and No Child Left Behind also require these assurances.

2. “Business Perspectives on 2010 UI Tax Increase” by James Tollefson

Mr. Tollefson noted that the proposed increase in UI taxes is detrimental to business employers. The Chamber of Commerce held a Board Meeting on September 9 where many members stated that additional jobs would be lost if the UI tax is implemented as currently proposed. The Chamber recommends reducing the amount of UI tax rate increase by considering alternatives such as stretching out payments during the recession or borrowing federal funds.

3. “2010 Unemployment Insurance Tax Alternatives” by Darwin Ching

An outline of the narrative portion of the presentation is attached.

Mr. Ching noted that the proposed UI tax increase would be difficult for businesses, and that the State is looking at alternatives. Nationally, 25 states’ UI trust funds are insolvent. Hawaii is in better shape but will reach the critical stage at the end of 2010 without intervention. .

1. One alternative is requesting a loan from the federal government. Interest is charged and the loan must be repaid within a certain period. The interest portion must come from a special assessment and not from regular UI tax receipts.
2. Another issue is that more non-profit organizations are opting out of the UI tax system to become self-funded, which further reduces the tax base.
3. A number of options were presented to the group.

A copy of the presentation is located on the WDC website, www.hawaii.gov/labor/wdc.

4. “WIA Title I-B Annual Performance Results” by Allen Chung

Mr. Chung gave an overview of the Program Year (“PY”) 2008 performance of the Workforce Investment Act (“WIA”) programs. Hawaii did achieve most of the targets except for several in the Older Youth category. The Committee will work with the One-Stops and LWIBs on an improvement focus: program support, focus on older youth ages 19-22, delivery of customer service and use of ARRA funds for support. The Performance Report is located on the WDC website, www.hawaii.gov/labor/wdc.

Action Items

1. The Local Area Plan Modifications were presented to the WDC members for approval. These plans were required as part of the Recovery Act provisions for WIA.

Action: Mr. Lee moved and Mr. Gleason seconded to approve the four Local Area Plan Modifications. There was no discussion. The motion was approved unanimously.

2. Mr. Lee suggested that a Personal Interaction Group (“PIG”) be formed in order to approve the WDC Annual Report to the Governor. A PIG does not require a quorum in order to meet, is not subject to Sunshine Law requirements, and can be used for very specific purposes.

Action: James Tollefson moved and Steve Lee seconded to form a PIG to review the WDC Annual Report. The motion was passed unanimously.

3. Mr. Tollefson noted that sometimes the committees have trouble meeting quorum and then business cannot be conducted. It was suggested that a PIG would be appropriate for his committee to explore some of the recommendations.

Action: Mr. Tollefson moved and Ms. Gofrey seconded a motion to make create a PIG to investigate issues from the Economic Development, Labor Shortage and Workforce Housing Policy Committee. The motion passed unanimously.

4. The Hawaii Teacher Standards Board (“HTSB”) has two public openings for board members. The WDC was asked to submit two names, for transmittal to the Governor, of persons who were familiar with licensing issues (not necessarily teaching) and with an understanding of how a board operates. Noe Noe Tom and Al Landon have agreed to their nominations.

Action: Ms. Godfrey moved and Mr. Tollefson seconded the motion to approve the recommendations for the HTSB and to submit the names to the Governor. The motion passed unanimously.

New Business and Announcements

- Mr. Hardway noted that the National Association of Workforce Boards would be held in Washington DC in March 2010. He will check the budget to see if members and staff can be sent to this major meeting of state and local workforce boards from across the US.
- Dr. Quigley noted that there is a bill to appropriate \$12 billion to transform the nation’s approximately 1200 community colleges. The money would be used to increase student success and to focus on workforce development initiatives. He will keep the members apprised of the status.

Adjournment

The meeting was adjourned at 12:05 pm.

ATTACHMENT TO WDC MINUTES 12/1/-9
“Statewide Longitudinal Data System for Educational Improvement”
Tammi Oyadomari-Chun, P-20 Initiative, University of Hawaii

P-20 is a statewide partnership led by the Good Beginnings Alliance, DOE, and the UH system with the goal of improving educational outcomes for Hawaii through the educational pipeline: early childhood education, elementary, middle, and high school; and post-secondary education.

A key initiative of P-20 is a Longitudinal Data Study being funded primarily through federal Department of Education grants. The US overall and Hawaii in particular are losing ground in college attendance by younger generations. The ongoing data collection will provide policy-makers with more complete information on students in Hawaii’s public schools (with private schools to be added later) regarding their progress while in school, in post-secondary education or training, and through to employment. Data points are being collected beginning in 2010 and information will be available to stakeholders in 2011.

Goals to increase Hawaii’s educational attainment by 2025

- Reduce high school dropouts to 0
- Reduce HS diploma only to 20% from 30% today
- Increase post-secondary with no degree to 25% from 21% today
- Increase associates degree or higher to 55% from 40% today

Purposes of a longitudinal system

- Inform educational planning and practice of educators
- Inform parent and student decision-making
- Inform policymaker decision-making
- Evaluate policies and programs

This study builds on prior efforts to link and use data

State Legislature (resolution for longitudinal study (2001), SCR 146 (2009))
Hawaii P-20 (demonstration of concept to link K-12 and IHE data (2005))
Hawaii NGA STEM Project Outcomes Accountability System (2007-09)
ARRA (assurance about state commitment to improving collection and use of data (2009))
US DOE Grant)\$3.5 million award to HIDOE (2009-12), competitive grant opportunity

Questions that can be addressed using a longitudinal data system include: Does participation in STEM activities result in better performance in these areas, and an increase of students entering STEM majors? When students are off-track, which interventions are likely to be successful? How can a child prepare in high school to enter college without remediation courses?

Challenges in developing a longitudinal data system are numerous and have hindered

1. Leadership—an inter-agency data collection efforts reduces accountability
2. Resources—competition with institutional priorities for improving data systems
3. Data quality and available—important sources of data are not always available.
4. legal and bureaucratic barriers—such as data security, turf issues

More information on P-20 can be accessed at: www.p20hawaii.org.

ATTACHMENT TO WDC MINUTES 12/1/09
“2010 Unemployment Insurance Tax Alternatives” Outline by Darwin Ching

The Goal = exercise tax moderation to keep workers fully employed

- Provide UI tax relief to businesses
- Replenish the trust fund (outstanding state loans as of November were \$24 billion)
- Obtain consensus and quick legislative relief

Implementation Issues

- Focus on adjusting state law variables - tax rate and wage base
- Obtain full legislative support
- 3/12/10 Administrative Deadline

Adjustments Analysis:

- Focus is on tax rate and wage base adjustments only
- Reduction of benefits would yield little immediate tax relief because of low trust fund balance for Hawaii
- Wage base adjustments alone do not benefit small business owners/low wage employers
- Interest on federal loans must be paid by general fund dollars or special surcharge and not from UI trust fund receipts.
- An adequate reserve ratio is irrelevant until we have high balance
- 3/12/10 is the administrative deadline for adjustments
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Final Criteria:

- Balancing Macro Tax Savings v. Negative Fund Balance and High Interest Payments

Section 2004 of Public Law 111-5 waived payment of interest on loans made by states to continue payment of unemployment insurance benefits. The amendments provided that any interest due on loans during February 17, 2009 to December 31, 2010 is waived. Further, no interest accrues on any advances made during this period. No loans are needed by Hawaii for 2009.

There is no direct impact on the UI Trust Fund as no unemployment payouts would occur under HRS § 383. (25 hours worked /15 hours max. furlough per week)

- The fund is not depleted by State Worker UI benefits paid since under HRS § 383-62, the State is a reimbursable employer – the State pays dollar for dollar UI benefits to State workers.
- Layoffs would also not deplete fund balance. (Layoff savings would be initially diminished by benefit payouts estimated to be a maximum of 62% for the initial 26 weeks.)