

Meeting of the
WORKFORCE DEVELOPMENT COUNCIL
Thursday, May 8, 2008, 9:30 a.m.
Princess Ruth Keelikolani Building, Rooms 310-314
830 Punchbowl Street, Honolulu, Hawaii

Members Present

Sandy Baz, Darwin Ching, Jonathan Chun, Jill Cooper, Will Espero, Michael Gleason (for Mark McGuffie), Signe Godfrey, Erwin Hudelist, Carla Kurokawa, Corianne Lau, Steven Lee, Henry Oliva, Michael Rota, Norman Sakamoto, Irving Soto, Robert Tom, Lance Wilhelm, Gregg Yamanaka

Other Attendees

Susan Akiyama (Hawaii County OHCD), Vaughn Baker (UH), Rolanse Crisafulli (Oahu Work Links Consortium Office), Pamela Dodson (DO), James Hardway (DO), Carol Kanayama (WDD), Jan Miyamoto (Kauai County OED), Cynthia Nakamura (WDD), Lei Nakamura (C&C of Honolulu), Anna Powell (WDC), Jennifer Shishido (DO), Lelani Teruya (R&S), Alfred Valles (USBAT), Carolyn Weygan-Hildebrand (WDC), Audrey Yasutake (WDC), Elaine Young (WDD)

Call to Order

Chair Gregg Yamanaka called the meeting to order at 9:40 a.m.

Public Input on Agenda Items

There was no public input.

Approval of the February 14, 2008 Minutes

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

Executive Session

Council members entered into a closed session to discuss confidential personnel matters under HRS 202-3.

Call to Order

Chair Yamanaka called the meeting to order at 10:20 a.m.

Chair Yamanaka reported that the members accepted the search committee's report on the Executive Director position subject to final negotiation with the recommended candidate, Steven Lee. In the interim, Darwin Ching has offered James Hardway as Executive Director at no cost to WDC. Mr. Ching said Mr. Hardway served in that capacity while WDC was recruiting for a previous Executive Director. He can be reached in the Director's Office at 586-8845 or by cell at 282-7859.

A motion was made and seconded to accept James Hardway as interim Executive Director until a permanent Executive Director is selected. Motion carried.

Chair Yamanaka called a recess at 10:22 a.m. and called the meeting to order at 10:50 a.m.

Signe Godfrey, chair of the search committee, reported that the committee met with the candidate during the recess and discussions are still ongoing with regard to the final negotiation.

Chair's Remarks

Chair Yamanaka mentioned that Stevette Santiago's term expires on June 30 and she will not seek reappointment because of her business commitments. WDC now has one labor and three business vacancies. Applications have been submitted and are awaiting the Governor's selection.

DLIR Director's Report on Layoffs and National Emergency Grant

Mr. Ching handed out a speech the Governor presented at the Hawaii Economic Association Annual Conference on April 25, 2008 which explains the state of our economy. Although the economy has slowed, we are not in a recession. Our unemployment rate is not expected to rise dramatically. Former Aloha Airlines and ATA employees will be able to reintegrate into the job market because of their high skills and customer service skills. We should not panic but be prudent and move toward workforce development.

Elaine Young said WDD is seeking a \$5.2 million National Emergency Grant from USDOL, \$3.3 million of which will be used to retrain Aloha Airlines pilots and the remainder for nonpilot jobs. The pilots were flying obsolete aircrafts and need the training to up their rankings and become marketable. Since the training is available only on the mainland, WDD is negotiating with the training providers to bring part of the training to Hawaii, and since they also require hands-on training in a simulator, arrangements will be made to train them on the West Coast. Most would like to remain in Hawaii after the training. A response from USDOL is expected soon. Rolanse Crisafulli said the Oahu One-Stop Centers have been responsive to the needs of the pilots and have sent four to training at K&S Aviation in Tempe, Arizona, the only school on the eligible training provider list. Two have completed training, one of whom has found a job, and two are in studies. Training on the new generation 737 airplane will allow them to apply at Japan and Korea Airlines. Sandy Baz asked and Ms. Young said the local airlines will not be able to hire all the pilots who become certified. Jobs with foreign airlines are plentiful on the mainland, but their requirements are different from those of the FAA. Training costs range from \$3,000-18,000, depending on the pilot's skill level. It is a tight market but WDD is moving aggressively to have them trained and working by the end of the calendar year. Chair Yamanaka asked if there was any feedback from the pilots about transitioning to a different career. Ms. Young said one pilot wanted to change occupations at the Rapid Response and his background was such that DHRD is scheduling appointments for him to become a state worker in the field of environmental health. Hopefully, he will be a success story.

Ms. Young said the Molokai National Emergency Grant proposal will be different because the island has practically no jobs and WDD must partner with Maui to see if people will relocate or take the ferry. She will coordinate with Mr. Baz of MEO who has operations on Molokai and with Vaughn Baker of UHCC on training.

Round Robin: Effect of Recent Layoffs and Next Steps

Erwin Hudelist said the layoffs have definitely affected companies doing business with Aloha Airlines. Private industry has seen a tremendous influx of competition from the West Coast where business is extremely slow and companies are bringing their sales force to Hawaii to sell their goods at low cost to keep them going. To combat this market which also occurred in 2005, he invested heavily in his company then and now. He predicts a decline in business of roughly 10% up to August and an increase in business with stagnant growth at the end of 2008.

Mr. Baz is elated that WDD is working specifically with Molokai because it truly has no jobs available. MEO runs a job creation program to help people start their own businesses, and inquiries and participants have quadrupled since Molokai Ranch announced its closure. Long-term unemployment is also anticipated and people who would normally enroll in TANF may have already exhausted their maximum five-year benefits. Mr. Hudelist said there may be a way to create work on the neighbor islands. In 1997 he looked into moving some of his manufacturing capacity to the Big Island, but it lacked the infrastructure then. He suggested giving incentives to manufacturing businesses to establish "outposts" in areas with depressed economic growth because inter-island shipping is commonplace and the barge is an inexpensive way to ship products within the islands. Chair Yamanaka said he is involved with a consortium that is looking for land and workforce outside Hawaii because it is more feasible. The biggest challenge in bringing industry to Molokai is that land that could be used for agriculture is prohibited. Henry Oliva mentioned that shortly after Molokai Ranch closed, the Governor organized a Molokai action team to address the situation and they came up with short- and long-term goals. The short-term goal is to continue the discussion and look at employment for the displaced individuals, e.g., job fairs. The long-term goal is to look at what economic engine can be generated for the island and to work with and bring the different parties to the table to continue the dialogue in a more concerted effort.

Mr. Ching would like the next WDC meeting agenda to include the Governor's proactive steps to boost the economy. The Director's Office will report on the construction readiness certificate project and the incumbent worker initiative. Chair Yamanaka would like youth programs tied into the construction industry because there will be a growing need for data input which youth can provide when construction moves into a more spatial technology.

Approve Labor Market Information Plan

Lelani Teruya asked for approval of the PY 2008 Labor Market Information Plan: Transforming Hawaii's Workforce through Innovation and Quality Information. R&S is contracted to deliver six core products:

- 1) Continue to populate the Workforce Information Database with state and local data.
- 2) Produce and disseminate industry and occupational projections.
- 3) Publish an annual economic analysis report for the Governor, WDC, and local WIBs.
- 4) Post products, information, and reports on the Hawaii Workforce Informer (HIWI) website.
- 5) Partner and consult on a continuing basis with workforce investment boards.
- 6) Conduct special studies and economic analyses as needed.

A motion was made and seconded to approve the PY 2008 Labor Market Information Plan. Motion carried.

Questions/Comments on Written Reports

Mr. Chun reported that the State Rehabilitation Council will be coming out with a brochure and education videos on the employability of persons with disabilities and will seek the public's perspective. It is also in the process of searching for an Executive Director.

Reed Act Plan and WDC Strategic Planning

Chair Yamanaka commented that he, Darwin Ching, James Hardway, Elaine Young, and Steven Lee will be meeting on the Reed Act Plan and will report back at the next WDC meeting. They are awaiting additional plans and funding for the WDC strategic planning.

Announcements

Ms. Godfrey announced that Mr. Rota is the new Planning Committee Chair.

Ms. Young said the Wage Record Information System provides for unemployment data to be exchanged among the states. New Hampshire and Hawaii are the only states that are not participating. Hawaii's unemployment insurance system goes through ICSD and they are working on how to make the change.

Chair Yamanaka mentioned that he is a member of the National Governors Association's Best Practices Policy Committee and they are working on a new policy statement and will recommend the Governors be given more flexibility and authority.

Adjournment

The meeting was adjourned at 11:27 a.m.