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STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

SCOTT T. MURAKAMI
DIRECTOR

LEONARD HOSHIJO
DEPUTY DIRECTOR

February 22, 2019

To: The Honorable Sylvia Luke, Chair;
The Honorable Ty J.K. Cullen, Vice Chair; and
Members of the House Committee on Finance

Date: Friday, February 22, 2019
Time: 12:30 p.m.
Place: Conference Room 308, State Capitol

From: Scott T. Murakami, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 613 HD1 Relating to Workforce Development

HB613HD1 proposes to establish and codify a YouthBuild program in the DLIR and require the Department to establish program requirements that are like ones administered by the U.S. Department of Labor (U.S. DOL). The measure allocates funds to the counties to establish YouthBuild programs if the counties match the appropriation on a dollar-to-dollar basis.

DLIR appreciates the intent of the measure but has concerns as no moneys are appropriated for the administration of the program. If moneys were appropriated for administration, the Department's support would be predicated on as long as the funding does not conflict with the priorities as identified in the Governor's Biennium Budget request.

DLIR notes that the intent of the measure involves replicating a federal program at the State level. If the intent is to match the federal grant requirements under the discretionary Workforce and Innovation Opportunity Act (WIOA) grants, then the administrative burden would be lower than if they differed. Nonetheless, as drafted, the measure does not account for the increase in administrative costs. Any deviation from federal grant requirements would necessitate even greater resources for administration.

Currently, the Department is aware of two entities receiving these discretionary WIOA grants in the State, both on Oahu. DLIR believes eligible entities and Honolulu may face significant challenges in providing matching dollars. The discretionary WIOA YouthBuild grants only require a 25% match, which can include non-cash, in-kind contributions. DLIR notes that the measure allocates funds to all the counties. If counties fail to establish programs, then those counties would necessarily lapse the funds.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/22/2019
Time: 12:30 PM
Location: 308
Committee: House Finance

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 0613, HD1 RELATING TO WORKFORCE DEVELOPMENT.

Purpose of Bill: Establishes the state YouthBuild Program to provide employment, education, leadership development, and training opportunities to disadvantaged and low-income youth between the ages of 16 and 24. Authorizes the DLIR to award grants directly to eligible entities or to the counties. Appropriates funds. (HB613 HD1)

Department's Position:

The Department of Education (Department) supports the overall concept of HB 613, HD1, with comments, provided that its passage does not replace or adversely impact the priorities as indicated in our Board of Education approved budget.

The Department recognizes the important role of community day programs to provide education, vocational training, employment, and leadership opportunities to students who have voluntarily been excluded from school. However, it is unclear how YouthBuild will provide a quality standards-based education and special education services to eligible at-risk youth and young adults between the ages of 16 and 24.

Young adults under the age of 22, who are eligible for special education, must still be provided all appropriate services, per their Individualized Education Program (IEP). In accordance with the Department's child-find responsibilities, any student under the age of 22, not currently eligible for special education and is suspected to have a disability, is entitled to an evaluation.

Given the resources and staffing needed to establish YouthBuild, the Department anticipates additional funds will be needed for the actual implementation if this bill passes.

A collaborative partnership between the Department and YouthBuild is encouraged to ensure that students receive a quality education as well as the supports and services necessary to earn a high school diploma, GED, certificate, or pursue post-secondary education and/or careers.

Thank you for the opportunity to provide testimony on this measure.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.



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AmeriCorps VISTA

Date: February 20, 2019

To: Representative Sylvia Luke, Chair, Representative Ty J.K. Cullen,
Vice-Chair, and members of the Committee on Finance

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic
Development (HACBED)

Re: Strong Support for HB613 HD1

Aloha Chair Johanson, Vice-Chair Eli, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports HB613 HD1, which would codify the state YouthBuild program and provide employment, education, leadership development, and training opportunities for youth between the ages of 16 and 24.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED played a facilitating role in the State Asset Policy Task Force and was a key contributor to the State Asset Policy Road Map. HACBED currently serves on the O'ahu Workforce Development Board and has also provided support to the Hawai'i Island Workforce Development Board. Through those experiences sees the dire need for place-based, skills driven opportunities for families, particularly youth, across our island and by extension our state.

In addition, the Department of Business, Economic Development and Tourism's latest Self-Sufficiency Income Standard Family Economic Self-Sufficiency Income Standard (2016) depicts the obstacles that Hawai'i families are facing. The Standard measures the amount of money that individuals and families require to meet their basic needs without government and/or other subsidies and the data shows the following percentage of families who fall below the self-sufficiency standard statewide:

- 31.7% of families with two adults and two children;
- 50.8% of single-adult families with children.

The passage of HB613 HD 1 would help grow our next generation of affordable housing builders by creating a state YouthBuild program to provide employment, education, leadership development, and training opportunities to disadvantaged and low-income youth between ages of 16 and 24. Furthermore, the bill would match Federal funding with State dollars so we could have additional resources necessary to stand up YouthBuild programs in our communities across the state.

Mahalo for this opportunity to testify,

Brent N. Kakesako
Executive Director



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February 20, 2019

House Committee on Finance
Friday, February 22, 2019, 12:30pm
Conference Room 308

HB613, HD1 – SUPPORT

Aloha Committee Chair, Vice-Chair, and Members:

I am submitting testimony in my capacity as Executive Director of Hawaiian Community Assets (HCA), the State's largest HUD-approved housing counseling agency and a community development financial institution, to **STRONGLY SUPPORT HB613, HD1**.

According to the State Department of Business, Economic Development, and Tourism's 2015 Housing Demand Study, our State needs to build 66,000 housing units by 2025 to keep up with projected demand. 75% of these units – or nearly 50,000 – must be for households earning \$75,000 annually or less. This does not include the estimated 7,500 affordable units subsidized with Federal funds that are scheduled to end their affordability period by 2025.

Our organization views HB613, HD1 as a strategy to grow our next generation of affordable housing builders by creating greater opportunity for at-risk youth, ages 16-24, to participate in YouthBuild. With the necessary skills and expertise, they will be on the front lines of helping our State meet the housing needs of our communities. Furthermore, HB613, HD1 would bring in Federal funds at a ratio of \$1:\$1 of State funds dedicated to YouthBuild programming. These financial resources will not only strengthen our communities and local economies, but will provide the necessary workforce in areas like Puna, Lahaina, Haena, and Waimanalo that are still recovery from floods, fires, and lava eruptions.

We ask you to help grow our next generation of affordable housing builders and bring in Federal dollars to expand YouthBuild programs statewide. **PASS HB613, HD1.**

Mahalo for your time, leadership and consideration. Please contact me directly at 808.587.7653 or jeff@hawaiiancommunity.net should you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Jeff Gilbreath".

Jeff Gilbreath
Executive Director

HB-613-HD-1

Submitted on: 2/21/2019 11:44:00 AM

Testimony for FIN on 2/22/2019 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

HB-613-HD-1

Submitted on: 2/21/2019 1:35:37 PM

Testimony for FIN on 2/22/2019 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Annie AuHoon	Individual	Support	No

Comments:

February 20,
2019

Committee on

Finance

22, 2019, 12:30pm Conference Room 308

HD1 –

SUPPORT

Committee Chair, Vice-Chair, and

Members:

I am submitting testimony in to
STRONGLY SUPPORT HB613, HD1. According to the State Department of Business, Economic Development, and Tourism’s 2015 Housing Demand Study, our State needs to build 66,000 housing units by 2025 to keep up with projected demand. 75% of these units – or nearly 50,000 – must be for households earning \$75,000 annually or less. This does not include the estimated 7,500 affordable units subsidized with Federal funds that are scheduled to end their affordability period by 2025. Our organization views HB613, HD1 as a strategy to grow our next generation of affordable housing builders by creating greater opportunity for at-risk youth, ages 16-24, to participate in YouthBuild. With the necessary skills and expertise, they will be on the front lines of helping our State meet the housing needs of our communities.

Furthermore, HB613, HD1 would bring in Federal funds at a ratio of \$1:\$1 of State funds dedicated to YouthBuild programming. These financial resources will not only strengthen our communities and local economies, but will provide the necessary workforce in areas like Puna, Lahaina, Haena, and Waimanalo that are still recovery from floods, fires, and lava eruptions. We ask you to help grow our next generation of affordable housing builders and bring in Federal dollars to expand YouthBuild programs statewide.

PASS HB613, HD1.

Sincerely,

Annie Au Hoon



Mailing: 711 Kapi'olani Boulevard, Suite 111

Honolulu, Hawai'i 96813

Site: Hilo St., Waimānalo, Hawai'i 96795 • Phone: (808) 275-4322

Web: www.youthbuildnalo.org

February 21, 2019

House Committee on Finance
Friday, February 22, 2019, 12:30pm
Conference Room 308

LATE

HB613, HD1 – SUPPORT

Aloha Committee Chair, Vice-Chair and Members:

As the Asst. Project Manager of Waimanalo YouthBuild, I am submitting testimony of **STRONG SUPPORT of HB613, HD1.**

We are a YouthBuild program funded by the U.S. Department of Labor and are proud to be a part of Waimanalo, an active and thriving community. Waimanalo YouthBuild provides **G.E.D. opportunities with on-site coursework** to prepare **at-risk youth ages 16 to 24** to pass the G.E.D. tests in Math, English, Social Studies and Science. Many of our students left the public school system because it was uncomfortable for them. Some of them have learning disabilities and **need extensive focus and tutoring** to understand the material.

YouthBuild also provides **construction training and certification in OSHA 10, respiratory fitness, and forklifts**. Our **students will build two homes this year for homeless or low-income families**. In addition our students learn community service and leadership. The attached flyer shows the impact YouthBuild programs have had on a national level in terms of education, employment, and reduced recidivism. The results have shown **reduced government dependency** and a lifetime return on investment. At the end of the 8-month program, students transition to a better life track through **employment, apprenticeships, or going to a community college**.

YouthBuild requires only a 25% match, which means **every State dollar will result in \$4 of federal funds** coming to Hawai'i. That is a **federal match of \$4:\$1 of State funds**. Furthermore, HB613, HD1 would help to grow our next generation of affordable housing builders. YouthBuild addresses **housing shortages and workforce development**.

Very little administration would be required for this program. Agency rules could simply state that any organization that obtains a YouthBuild workforce development grant from the U.S. Department of Labor could apply for matching funds from this state YouthBuild program.

We encourage you to support our youth and our communities and help to provide funding to expand YouthBuild programs in Hawai'i. Please **PASS HB613, HD1**.

Mahalo for your time and consideration and for leading our communities. Please contact me directly at 808-478-1789 or dkaaa.youthbuild@hiilei.org with any questions.

Sincerely,

Denise L. Ka'a'a

Assistant Project Manager



YOUTHBUILD'S IMPACT

Education

Compared to a motivated control group receiving other services, YouthBuild results in a:

- **31%** increase in **college enrollment**.
- **51%** increase in **vocational school enrollment**.
- **78%** increase in **GED attainment**.
- **76%** increase in **volunteerism**, with 54% of students volunteering.

Employment

- **61%** of all enrollees were **placed in either employment** or postsecondary education immediately following the program.
- **74%** of those placed **retained their placements** for at least six months.

Recidivism

- YouthBuild's **recidivism rate** is only **7%** within one year of enrollment.



YOUTHBUILD'S RETURN ON INVESTMENT

Reducing Government Dependency

- YouthBuild students are **less likely to rely on government benefits** just 30 months after starting the program, when compared to a motivated control group receiving other services.

Lifetime Return on Investment

- One year of YouthBuild funding at \$84.5 million (current level) results in an estimated **\$1.3 billion in lifetime savings** from taxes, crime, health, and welfare.
- Every \$1 spent on YouthBuild results in an estimated fiscal **return on investment of over \$10**.

Sources:

Bridgeland, John. "A Bridge to Reconnection: A Plan for Reconnecting One Million Opportunity Youth Each Year Through Federal Funding Streams." Civic Enterprises. 2016.

Miller, Millensky, Schwartz, Goble, and Stein. 2016. *Building a Future: Interim Impact Findings from the YouthBuild Evaluation*. New York: MDRC.

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