# OAHU WORKFORCE DEVELOPMENT BOARD

# CITY AND COUNTY OF HONOLULU

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MAYOR

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CHRISTOPHER K. LUM LEE

VICE CHAIR

HARRISON KURANISHI

EXECUTIVE DIRECTOR

**FINANCE COMMITTEE MEETING**

**Wednesday, August 14, 2024**

**11:30 am to 1:00 pm**

*Note: Per the State Office of Information Practices (OIP), members of the public may contact* *OahuWDB@honolulu.gov* *to be added to a mailing list for future meeting announcements.*

**Members Present:**

Christopher Lum Lee, Tri Sec Inc., Principal Guard and Chief Administrative Officer

Nicole Anderson, Office of Economic Revitalization, Workforce Development Program Manager

Jeff Wagoner, Outrigger Hospitality Group, President and Chief Executive Officer

Frederick Pascua, Department of Labor and Industrial Relations, Oahu Branch Manager

**Staff:**

Harrison Kuranishi, Oahu Workforce Development Board, Executive Director

Raymond Duong, Oahu Workforce Development Board, Budget Analyst

Brice Nakamura, Oahu Workforce Development Board, QUEST Intern

Daven Kawamura, Oahu Workforce Development Board, WIOA Specialist

1. **Call to Order**

The Finance Committee meeting was called to order at 11:34 am by Oahu Workforce Development Board (OWDB) Finance Committee Chair Christopher Lum Lee.

1. **Welcome and Introductions**

(Note: Per the State OIP, OWDB members are allowed to attend board meetings on audio only. Their votes will still count, and their attendance will also count towards quorum. However, board members must state their names clearly during introductions and before all of their comments during the meeting.)

1. **Approval of Minutes**
	1. **June 28, 2024 Meeting Minutes**

Chair Christopher Lum Lee requested a motion to approve the minutes for the June 28, 2024 meeting. Jeff Wagoner moved to approve the minutes. Nicole Anderson seconded the motion. There were no objections or abstentions. The minutes were unanimously approved.

1. **Budgets for WIOA and QUEST Extension**

Raymond Duong, Budget Analyst for the OWDB, shared the budget(s) for the Adult, Dislocated Worker (DW), and Youth Programs. The allocated amounts for the programs are $839,832, $406,917, and $953,251 respectively. The allocated amounts add up to the $2.2MM that was agreed upon during the July 18, 2024 Full Board meeting.

Christopher Lum Lee, Principal Guard and Chief Administrative Officer of Tri Sec, Inc., made a recommendation for the Adult Program budget.

* Recommendation to remove the $25,000 from the Adult Contractual Services line item to Program Services instead. The line item justification was for program outreach through development of digital media campaigns.
	+ Christopher Lum Lee stated the $25,000 was for a consultant to boost their social media presence. He noted that per their current social media presence (Work Hawaii Instagram page) there doesn’t seem to be a social media plan. In a justification from Work Hawaii they were looking to boost their followers from 1,500 to 5,000 but currently their Instagram page is at 436 followers.
	+ Jeff Wagoner, President and Chief Executive Officer of Outrigger Hospitality Group, asked if Work Hawaii had provided any type of plan on how they were planning to use the $25,000 within the context of the contractual services line item.
		- Christopher Lum Lee quoted the email received by Work Hawaii justifying the line item, “The outreach contractor will develop targeted campaigns, informative video series and podcasts. These digital tools will highlight success stories and program benefits, insuring our new collaboration effectively reach and engage potential enrollees”.
	+ Nicole Anderson, Workforce Development Program manager for the Office of Economic Revitalization, recommended to inquire who Work Hawaii is intending to contract with and if they plan to use the functionality that Instagram has that can boost visibility.

Raymond Duong informed the committee that the Service Provider is planning to serve 138 participants within the six month extension for the Adult Program. The year-end participant count for the Adult Program was 362.

Christopher Lum Lee inquired if the budgets should be approved as individual program budgets or as a package including the Adult, DW, and Youth.

* Harrison Kuranishi, Executive Director of the OWDB, let Chris know that it depends on if there will be questions on any specific program budget.
* Christopher Lum Lee recommended to approve the budgets as a package with amendments after discussion and any recommendations of changes.
	+ Jeff Wagoner noted that at least for his own company for budget line items there needs to be a substantiated plan that builds up to the line item amount.
	+ Nicole Anderson chimed in saying that she shares the opinion of the need of a substantial plan on how the money would be spent.

Raymond Duong also went over the DW budget. Christopher Lum Lee also had recommendations for the DW budgets. The Service Provider is planning to serve 108 participants.

* Similarly to the Adult Program budget, there is a $15,000 Contractual Services line item for digital media campaigns. The above commentary also stands for the DW budget.
* Jeff Wagoner asked if there is a plan for the program services budget line item.
	+ Raymond Duong informed Jeff that there has not been any detailed information for the sub-line items.
	+ Jeff noted that he would want to have the service providers build up the numbers from zero for the program services sub-line items to have a better understanding of what substantiates the dollar amounts that are detailed in the budgets sub-line items.

Harrison noted that the budgets will need to go through to the full board for final approval. Highlighting that since the next full board meeting is scheduled for October 24, 2024 reimbursements will not be issued by the State until a budget is submitted and approved.

* Harrison brought up the option of convening a board meeting prior to the scheduled October 24, 2024 to approve the budgets.

Chair Christopher Lum Lee recommended that another Finance committee to be scheduled for Friday, August 23, 2024, for approval of the Service Provider Budgets. Additionally that the budgets will be returned to the Service Provider to revise and get it back to the board by Tuesday, August 20, 2024.

Chair Christopher Lum Lee tabled the Youth and QUEST budgets as they will go back to the Service Provider along with the Adult and DW to be revised. Raymond Duong went over the Local Administrative Cost (LAC) Budget.

Chair Christopher Lum Lee requested a motion to approve the LAC budget as presented to the board. Jeff Wagoner moved to approve the LAC budget as presented to the board. Nicole Anderson seconded the motion. There were no objections or abstentions. The motion was approved unanimously.

1. **Discussion on new Fiscal Policies**

Harrison Kuranishi informed the committee that as was discussed at the Performance Measures and Accountability committee meeting. All policies are first being looked at by SAFAL partners before being sent out to the respective committees. All fiscal policies will flow through the Finance committee some that are a priority for writing or being rewritten are as follows:

* A Budget Modification Policy where a budget modification cannot be made for an increase in personnel.
* A policy noting that at least 50% of funds must be used on the participants.
* A purchasing policy that details that purchases will need to be split based off of program benefit. E.g. if there is a total of 150 participants with 100 Adult and 50 DW, 66.6% will need to be Adult and 33.3% will need to be DW.
1. **Recap of PY22**

Raymond Duong shared a presentation going over Program Year (PY) 22. The presentation can be found at the following link:

<https://oahuwdb.com/wp-content/uploads/2024/08/Finance-Committee-Meeting-08.14.24.pdf>

Jeff Wagoner emphasized that per the Expense Ratio slide, the average expense ratio for personnel cost is at 53.42%.

* Raymond Duong clarified that it is mostly due to the influx of Adult participants and the QUEST program which is majority training/internship.
1. **PY23 Funding**

Raymond Duong went over the funding for PY23, which was discussed earlier in the meeting. To recap the Adult, DW, and Youth program as well as QUEST budgets will be revised and approved at the next meeting. The LAC budget was approved.

1. **Information regarding PY24**

Raymond Duong let the committee know that per the allocations that were given to the counties, there were errors for Oahu County. Harrison informed the State of the error, after Harrison’s input other counties found some errors for their own counties numbers. The bulletin was rescinded and will be rewritten.

PY24 budgets will likely come from the Workforce Development Council (WDC), the performance measures negotiations should also be going through the WDC. OWDB staff will be inviting board members to the negotiations so that the board members are aware of how the negotiations proceed and how the performance metrics are decided.

1. **Announcements and Public Testimony**

There were no announcements or public testimony.

1. **Schedule Next Meeting**

The next Finance Committee meeting is tentatively scheduled for August 23, 2024 from 11:30 am to 1:00 pm.

1. **Adjournment**

Chair Christopher Lum Lee adjourned the meeting at 1:10 pm.