



## LATE TESTIMONY

**STATE OF HAWAII  
WORKFORCE DEVELOPMENT COUNCIL  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 11, 2009

To: Senator Norman Sakamoto, Chair  
Senator Michelle Kidani, Vice Chair  
and Members of the Committee on Education and Housing

Senator Dwight Y. Takamine, Chair  
Senator Brian T. Taniguchi, Vice Chair  
and Members of the Committee on Labor

Date: February 11, 2009  
Time: 2:00 p.m.  
Place: Conference Room 225

From: James Hardway, Executive Director  
Workforce Development Council

**RE: SB 747: Relating to Workforce Development**

The Workforce Development Council (“WDC”) supports the purpose of SB747 which is to implement the educational workforce working group’s recommendations for addressing workforce development issues in the State. The WDC is well aware of State revenue shortfall and leave the matter of budget priorities with the Legislature and the Administration.

To have a skilled workforce that Hawai`i needs to compete in the global economy, student achievement needs to improve and the public high school dropout rate of 16.5% needs to be reduced quickly. The skills of working adults need to be upgraded amidst median family incomes that can pay for self-sufficiency requirements but not for working adults’ continuing education and training.<sup>1</sup>

To address this, the chair of the WDC convened the first meeting of the original educational workforce working group (“working group”) in 2007. The working group was created by Act 283, SLH 2007 and included four legislators and the following as members:<sup>2</sup>

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<sup>1</sup> Upcoming Hawai`i Comprehensive Workforce Development Plan 2009-2014 First Year Report, See attached Charts and Tables

<sup>2</sup> 2008 Educational Workforce Work Group Report to the Legislature

- Mr. Ted Liu, DBEDT Director
- Mr. Daniel Hamada, DOE Assistant Superintendent
- Mr. John Morton, UH Vice President for Community Colleges
- Mr. Ramsey Pedersen, Honolulu Community College Chancellor (Retired)
- Mr. Alvin Nagasako, Kapolei High School Principal
- Ms. Gail Awakuni, Campbell High School Principal
- Ms. Tammi Chun, Hawaii P-20 Initiative Executive Director
- Mr. Gregg Yamanaka, Workforce Development Council Chair
- Mr. Alex McGehee, Enterprise Honolulu Executive Vice President (former)
- Ms. Lisa Gibson, Hawaii Science and Technology Council Executive Director
- Ms. Rona Kekauoha, Hawaii Community Foundation Scholarship Officer
- Ms. Joan White, Honolulu Community Action Program Executive Director

The working group reported that Hawaii must break out of the endless rhetoric about “fixing” Hawaii’s public education system and take actions that will result in graduates who are ready and motivated to immediately pursue additional training and education, or move seamlessly into the workforce. The working group’s submitted a report to the Legislature included seven recommendations with twenty-five steps. There were seven sets of recommendations from the working group:

- The working group’s first set of recommendations is to provide guidance to Hawaii’s public education system in the form of clear statements of expectations with respect to a work-relevant education.
- The second set of recommendations establishes measurable goals, with benchmarks to facilitate achievement of those goals, which will result in institutions of excellence and facilitate lifelong learning through a strong, seamless statewide “education pipeline”.
- The third set creates a series of options that will tailor the education system’s offerings to meet individual student needs.
- The fourth set of recommendations provides incentives to encourage behavior and the adjustments needed to bring about desired changes.
- The fifth set utilizes the education system’s physical property to better support priorities.
- The sixth set embeds work-relevance into the public education system.
- Lastly, the seventh set of recommendations relates to a marketing campaign to engage parents, business and community leaders in the education process.<sup>3</sup>

SB747 extends the working group for another two years to address issues of implementation of the recommendations. Specifically, it seeks to address workforce development issues relating to:

- the ability to track results and long-term impact of programs and reforms on achievement, careers and earnings;
- facilitation of partnerships between schools and businesses;

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<sup>3</sup> 2008 Educational Workforce Working Group Report to the Legislature

- dissemination of information regarding workforce development resources and programs; and
- working adult scholarships.

SB747 supports the mission of the WDC to facilitate the development of a skilled workforce that Hawai'i needs to compete in the global economy. The WDC notes that SB747 advances the WDC's priority goal of improving the delivery of timely education and training to prepare current and future workers for high-demand occupations. It is in alignment with the WDC recommendations to:

- Update and expand asset map of workforce development infrastructure.
- Develop a comprehensive evaluation model for workforce development programs to promote accountability, increase effectiveness and gain efficiencies.
- Encourage agencies that collect data useful to improving workforce development to share data and develop a "common language" as much as possible across the system.

SB 747 also advances the WDC's priority goal of upgrading the skills of incumbent workers. It is in alignment with the WDC recommendation to provide incentive for the upgrading skills of incumbent workers.

The WDC would like point out that existing resources and partnerships should be mapped out thoroughly for implementing solutions, with duplicative or competing efforts eliminated to provide the maximum amount of efficiency in the workforce development system. This issue of efficiency and effectiveness, overall, is important in face of foreseeable public funding limits.

Thank you for this opportunity to comment.

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The Hawaii Workforce Development Council is a private-sector led body responsible for advising the governor on workforce development to support economic development and employment opportunities for all. The council is also the State Workforce Investment Board for purposes of the Workforce Investment Act ("WIA") of 1998. It assists the Governor in developing and updating comprehensive five-year strategic workforce investment plans and oversees workforce (public) investment activities in the state.

Table 1. DEMAND FOR SKILLED WORKERS, 2006-2016  
 Projected Annual Number of Openings by Entry-Level Education and Training Requirement  
 Source: DLIR

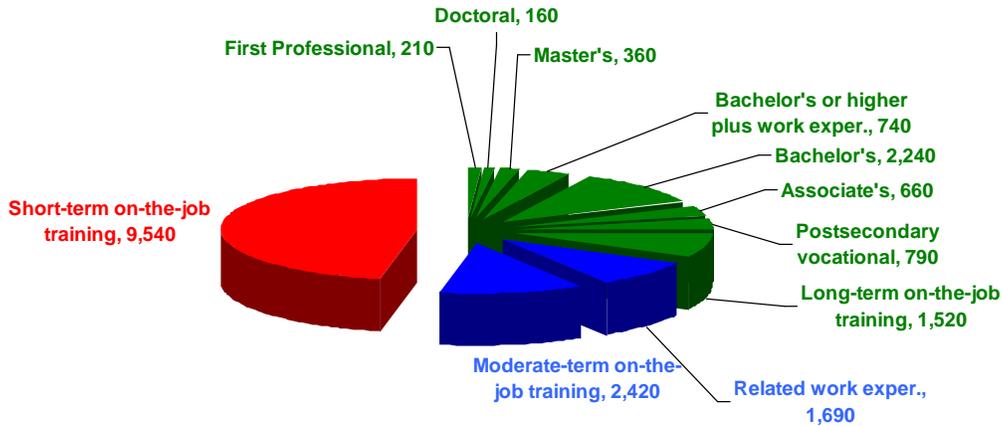
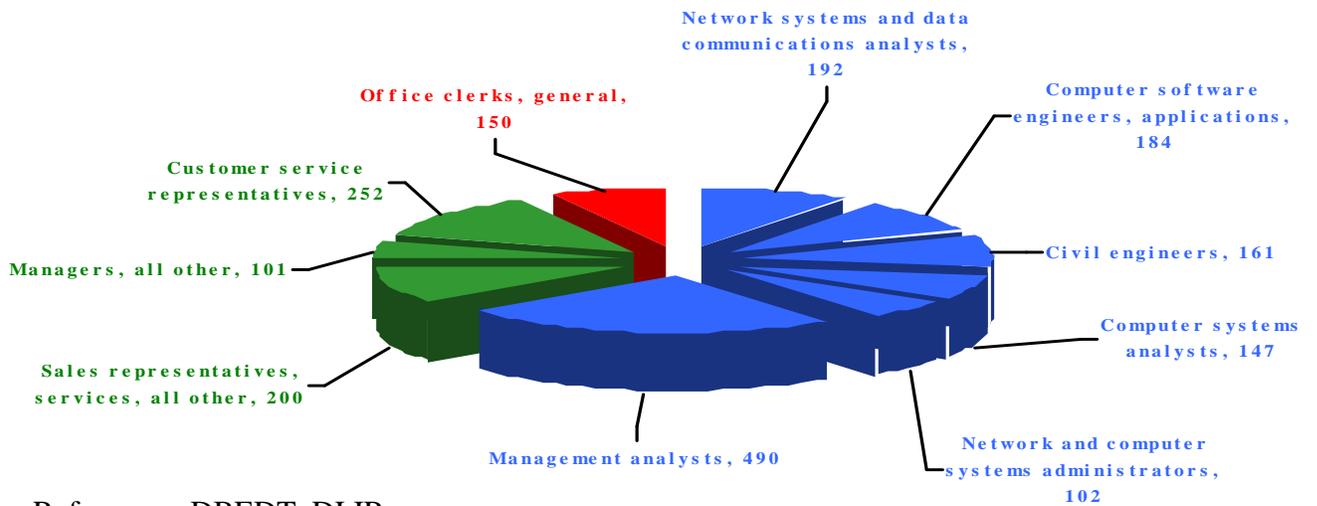


Table 2. EDUCATION AND TRAINING REQUIREMENTS IN THE TECHNOLOGY SECTOR  
 Occupations with Biggest Projected Change Between 2006-2016



References: DBEDT, DLIR

Table 3. EDUCATIONAL OUTPUT, K-12				
<u>National Assessment of Educational Progress (NAEP)</u>				
	2003		2007	
	(Percent Proficient and Advanced)		(Percent Proficient and Advanced)	
	Hawaii	Nation	Hawaii	Nation
<hr/>				
Reading				
Grade 4	21%	30%	31%	39%
Grade 8	22%	30%	21%	31%
Mathematics				
Grade 4	23%	31%	37%	45%
Grade 8	17%	27%	24%	38%
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<u>Graduation and Dropout Rates</u>				
	2004-05		2006-07	
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Graduation (On Time)	79.5%		78.9%	
Dropouts	14.9%		16.5%	
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	2004-05		2006-07	
BOE Diploma	31.3%		31.5%	
Regular Diploma	62.1%		62.7%	
Non-Diploma Certificate	6.6%		5.8%	

Source: DOE

Table 4. Annual Self-Sufficiency Family Budgets for Selected Family Types, 2007

Monthly Costs	One Adult	Two Adult Family	One Adult + One Preschooler	One Adult + One Preschooler + One Schoolage	Two Adult + One Preschooler + One Schoolage
Honolulu	\$25,605.24	\$33,906.48	\$42,188.50	\$50,731.34	\$55,688.23
Hawaii	\$23,884.96	\$33,498.40	\$36,355.12	\$43,314.07	\$49,666.95
Maui	\$31,456.97	\$42,619.40	\$45,194.65	\$51,429.12	\$60,526.86
Kauai	\$28,278.49	\$39,585.83	\$42,749.97	\$51,634.39	\$59,159.34
State	\$26,151.16	\$35,092.86	\$41,761.78	\$49,852.53	\$55,581.23

Selected Income Benchmarks					
Poverty Threshold	\$11,750.00	\$15,750.00	\$15,750.00	\$19,750.00	\$23,750.00
Minimum Wage	\$15,312.00	\$30,624.00	\$15,312.00	\$15,312.00	\$30,624.00
Median Family Income	\$31,369.00	\$80,143.00	\$35,417.00	\$31,369.00	\$83,786.00

% by Which Self-Sufficiency Income Is Above or Below Selected Income Benchmarks					
Poverty Threshold	122.6%	122.8%	165.2%	152.4%	134.0%
Minimum Wage	70.8%	14.6%	172.7%	225.6%	81.5%
Median Family Income	-16.6%	-56.2%	17.9%	58.9%	-33.7%

% of Families with Income Below Self-Sufficiency Level (based on ACS-PUMS data)					
State Total	43.4%	12.4%	66.6%	81.0%	24.8%

Source: DBEDT