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## A BILL FOR AN ACT

RELATING TO EDUCATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The Legislature finds that Hawaii's desire for  
2 economic growth that benefits all residents depends on building  
3 our state's human resources.

4           Realization of Hawaii's longstanding desire for economic  
5 diversification and sustainability turns on applying that high-  
6 skill human resource to the creation and adoption of innovation  
7 across the economy.

8           Hawaii now also faces the challenge of a globally  
9 interconnected economy. Global competition will determine where  
10 a product or service is produced, where it is sold and who  
11 captures its value.

12           Hawaii's continued prosperity and ability to preserve its  
13 quality of life and preferred life-style depends on the state's  
14 investment in human resource and innovation as the driver of  
15 economic development and as the State's response to the  
16 challenge of globalization.

17           **The Vision**



1 Hawaii's economic development policy should shift toward  
2 developing its human resources and its innovation capacity.

3 Hawaii's human resource potential is its greatest under-  
4 utilized economic development driver. Increasing Hawaii's  
5 innovation capacity will enable its companies and citizens to  
6 compete in a global economy. Unleashing both is the key to  
7 Hawaii's future prosperity.

8 The two are integrally inter-related. Without high-skilled  
9 human resource, innovation will not occur or be applied.  
10 Without innovation, there will not be the demand for that human  
11 resource.

#### 12 **Innovation and What it Accomplishes**

13 Innovation is the dynamic process whereby Hawaii creates  
14 and introduces new ideas and new approaches to accomplish tasks.  
15 It is the process of nurturing ideas, turning them into products  
16 or services and into value, revenues and income.

17 Innovation often is the result of scientific discovery -  
18 but it's more than that. It is a process which links together  
19 Hawaii's knowledge, assets and networks of human capital to  
20 transform ideas, insights and invention into new processes,  
21 products and services that capture market share.



1 Innovation's measurable results are new or improved  
2 products, service or production process; the opening up of a new  
3 market; the adoption of a new technology; or an improvement to a  
4 business organization or process.

5 Innovation is industry-agnostic; government does not pick  
6 winner or losers. Innovation applies to Hawaii's existing and  
7 new industries.

8 Innovation will increase Hawaii's standard of living  
9 through steady growth in productivity. Productivity growth  
10 depends on human capital and innovation capacity. Innovation  
11 increases value and income either by reducing bottom line costs  
12 – applying technology in ways that lower costs in order to  
13 compete – or by growing top line revenues through the  
14 introduction of new or differentiated products and services that  
15 command a price premium in the market.

16 Innovation will lead to sustainability. We will achieve  
17 increases in our gross state output with use of fewer natural  
18 resources, including land.

19 Innovation will lead to economic diversification. It will  
20 lead to new innovation- and knowledge-intensive companies with  
21 higher-paying jobs in areas where Hawaii has natural competitive  
22 advantages.



1 Innovation will grow Hawaii's traditional industries with  
2 increased productivity and higher-paying jobs. Innovation has  
3 been part of Hawaii's history: Without innovation, our sugar  
4 and pineapple industries could not have survived facing hostile  
5 trade practices on a high-cost, isolated and distant mid-Pacific  
6 land mass.

7 **The Policy Framework**

8 The following are 10 key interrelated policy components of  
9 a multi-year initiative to transform Hawaii's economy toward  
10 human resource development and innovation:

- 11 (1) Graduates from Hawaii's secondary education system  
12 with analytical and problem-solving skills that come  
13 from exposure to rigorous science, technology,  
14 engineering and math (STEM) education.
- 15 (2) An environment that efficiently and transparently  
16 deploys public resources to encourage the creation of  
17 products and services that are globally competitive.
- 18 (3) Regulatory and tax policies that reward productivity.
- 19 (4) A higher education system that drives human resource  
20 development and innovation.



1 (5) A high-skilled workforce based on individual choice  
2 and employer needs to encourage lifetime learning and  
3 skill building.

4 (6) An environment that encourages risk-taking and  
5 creativity.

6 (7) Links to innovation and creativity centers in the  
7 Asia-Pacific region that encourage the flow of people,  
8 products and ideas.

9 (8) Broadened access to technology tools, including  
10 wireless broadband service on all islands.

11 (9) Quality assurance and accountability measures,  
12 consistent with best practices as set out by credible  
13 local and national experts.

14 (10) Government leading innovation by example.

15

16 The above requires a fundamental re-thinking and  
17 realignment of public resources dedicated to secondary and  
18 higher education, workforce and economic development into a  
19 comprehensive framework to encourage human resource development  
20 and innovation capacity in Hawaii's economy. The success of  
21 this realignment will be nothing short of a restructuring of  
22 Hawaii's economy.



1           A multiple-year strategy is necessary to achieve the  
2 "innovation economy".

3           This Act is part of an initial package of initiatives  
4 focusing on innovation introduced for the 2007 Legislative  
5 Session. Together with its companion bills, this package begins  
6 to achieve -

7           A 21<sup>st</sup> Century workforce with science, technology,  
8 engineering, math and problem-solving skills sufficient to  
9 ensure innovation and sustainability of Hawaii's economy;  
10 Higher education institutions as "drivers" for innovation;  
11 Continued public investment in the state's innovation  
12 infrastructure;

13 Addressing the capital gap for Hawaii's emerging technology  
14 and creative industry companies;

15 Opportunities for incumbent workers to engage in life-long  
16 learning and skill-building;

17 Residents and businesses with international exposure,  
18 orientation and skills to interact with and compete in a  
19 global economy;

20 An innovation environment that encourages the creation of  
21 new products and services that command global market share;

22           and



1 Analytical capability to assess policy performance and  
2 progress toward innovation economy objectives.

3 In particular, this Act addresses the concern that Hawaii's  
4 need for a workforce that is more skilled and competitive in  
5 science and technology is growing. Data show that due to the  
6 aging of the workforce, we will have increasingly more skilled  
7 jobs opening up in the coming years than we will have young  
8 people trained and ready to fill them.

9 A major problem is that our education system is not  
10 preparing an adequate number of high school graduates with the  
11 basic science, technology, engineering and math (STEM) skills  
12 needed to move easily into pre-engineering and science at either  
13 the four-year college level, or into the technology programs of  
14 the community colleges. In fact, high school students appear to  
15 be moving away from science and technology. For instance,  
16 enrollments in the college of engineering at the university of  
17 Hawaii are currently down roughly twenty-five per cent from the  
18 mid-1980s. Moreover, according to the national center for  
19 public policy and higher education, only eighteen per cent of  
20 Hawaii's eighth graders test proficient in math compared with  
21 thirty-eight per cent among the top states. In science only



1 fifteen per cent of Hawaii eighth graders test proficient  
2 compared with forty-one per cent among the top states.

3       However, over the last decade new approaches to generating  
4 higher participation and achievement by high school students in  
5 technical areas have emerged, in the form of technical academies  
6 run at selected high schools and effective contextual (learning  
7 in the context of practical applications) learning programs such  
8 as FIRST (fostering interest and respect for science and  
9 technology) robotics and project EAST. The academy model mixes  
10 high-quality instruction with practical, project-based  
11 contextual learning experiences that generate enthusiasm among  
12 students and show them the practical application of the academic  
13 skills.

14       In Hawaii, the pioneering academy efforts were CISCO  
15 academies, sponsored by computer network equipment giant CISCO  
16 to create a pool of computer network skilled high school  
17 graduates. Leveraging the success of the CISCO academy, the  
18 community colleges, with the department of education and the  
19 private sector, developed construction academies that created a  
20 pool of apprenticeship-ready high school graduates for the  
21 construction industry. There are now twenty-three CISCO  
22 academies and twenty-seven construction academies in operation



1 at high schools around the state. These academies provide both  
2 high school and college credit that meet DOE standards and  
3 college standards. Since 2000, nineteen hundred students have  
4 graduated from the CISCO academies. There are currently about  
5 one thousand students enrolled in construction academies. The  
6 Hawaii construction academy is recognized as a national best  
7 practice and has been presented at national forums such as the  
8 U.S. department of labor's annual workforce innovations meeting  
9 of the nation's employment and training community.

10 The successful CISCO and construction academy models have  
11 the advantage of supplementing the existing academic environment  
12 with high quality, project-based learning without taxing the  
13 resources of the existing schools as they struggle to meet the  
14 many mandates for improvement and change that they face. The  
15 academies utilize existing facilities and provide training and  
16 resource assets for the programs and faculty of their respective  
17 high school campuses. By providing high quality, standards-  
18 based instruction, they reduce the cost of remedial education  
19 usually needed to bring entering students up to college  
20 standards. Very importantly, they instill confidence in average  
21 students that they are capable of academic achievement beyond  
22 their expectations.



1           There are two major challenges. The first is the  
2 difficulty that practicing teachers face in keeping up with  
3 content changes that occur ever more rapidly. The second is  
4 that too many science and math classes are taught by teachers  
5 that are not qualified in these subjects, particularly in the  
6 elementary and middle schools. The center for the study of  
7 teaching has reported that the most consistent and powerful  
8 predictor of student achievement in science and mathematics was  
9 the presence of teachers who were fully certified and had at  
10 least a bachelor's degree in the subjects taught.

11           Innovative programs such as the one developed by the  
12 university of Hawaii college of engineering are helping to  
13 update the STEM skills and knowledge of middle school teachers  
14 and improving the curriculum for teaching STEM to students, but  
15 there is need for more flexible programs to reach more teachers.

16           Another important component in developing strong STEM  
17 skills is the opportunity for students to participate in an  
18 internship program at either the high school or college level.  
19 This experience greatly enhances their educational preparation  
20 and provides a clearer understanding of career possibilities.  
21 In addition to technical knowledge and skills, students acquire



1 experience in a professional setting and a better understanding  
2 of the expectations they will face on the job.

3 The final link in the education pipeline, universally  
4 recognized as critical to the success of a knowledge-based  
5 economy, is a vibrant postsecondary education system that meets  
6 not only the traditional education expectations of its citizens,  
7 but becomes a true partner in addressing the needs of the state  
8 to have a highly skilled workforce, create knowledge-based  
9 products and services, and provide the global orientation and  
10 entrepreneurial skills required to succeed in today's world.  
11 One proven way to enhance that strength is by retaining and  
12 recruiting distinguished faculty through the endowment of  
13 faculty chairs.

14 Recruiting more prestigious faculty will result in an  
15 improved academic and research reputation, which will further  
16 enhance the university's ability to attract top talent. Other  
17 impacts should include: increased research funding; supporting  
18 additional students and technical support staff; and, increased  
19 development of innovations and inventions that can be  
20 transferred to the private sector for commercialization.

21 The Legislature finds that it is crucial to address these  
22 needs. The purposes of this Act are to:



- 1           (1) Develop a manageable, expandable, comprehensive system  
2           of STEM academies and pre-academies, based on the  
3           successful CISCO and construction academy models that  
4           will focus on developing STEM skills in Hawaii's  
5           school children from middle school through high  
6           school;
- 7           (2) Increase the quality STEM teaching in Hawaii's schools  
8           through providing enhanced professional development  
9           opportunities for practicing teachers and attracting  
10          highly qualified people with STEM degrees to the  
11          teaching profession;
- 12          (3) Increase opportunities for high school and college  
13          students to gain experience through internships;
- 14          (4) Increase the number of Hawaii high school graduates  
15          seeking degrees or certificates in STEM disciplines by  
16          providing scholarships to accredited institutions of  
17          higher education in Hawaii; and
- 18          (5) Increase the quality of STEM education in Hawaii's  
19          postsecondary education institutions through the  
20          creation of endowed chairs in STEM disciplines.

21           SECTION 2. There is established within the university of  
22           Hawaii community college system, the statewide Hawaii excellence



1 through science and technology (HiEST) academy program. The  
2 program will be headed by a director and staffed by one support  
3 specialist, one secretary and a fiscal/records support position.

4 The purpose of the HiEST academy program shall be to  
5 increase the readiness and motivation of Hawaii high school  
6 graduates to pursue post secondary training and career options  
7 in science, technology, engineering, and math (STEM)  
8 disciplines.

9 The HiEST academy program shall partner with the department  
10 of education, interested high schools, and appropriate public,  
11 non-profit and private agencies, to establish individual HiEST  
12 academies at up to fourteen selected high schools throughout the  
13 state. School participation in the HiEST program shall be  
14 voluntary.

15 The selected high schools shall provide space on or  
16 adjacent to their campus for the academy program. All  
17 instructors in the high school academies shall be certified to  
18 teach to both department of education and community college  
19 standards and courses taught through the academies shall provide  
20 students with both high school and university of Hawaii academic  
21 credit to the maximum extent possible.



1           The HiEST academy program shall place priority on engaging  
2 students who are not involved in advanced placement programs,  
3 international baccalaureate programs and advanced science and  
4 mathematics programs. It is anticipated that the project will  
5 lead to better-prepared graduates, able to transfer to the  
6 colleges of their choice without the need for remediation.

7           The HiEST academy shall support the partnership of the  
8 university of Hawaii and the department of education in the  
9 American diploma project, which establishes a dialogue and joint  
10 curriculum assessment between teachers from high school and  
11 college. This dialogue helps ensure a smooth transition from  
12 high schools to college and improves the abilities of students  
13 to meet their educational and career objectives.

14           Each HiEST academy shall have a lead instructor employed by  
15 the community college system. Additional qualified instructors  
16 may be hired by the community colleges. Teachers, including  
17 those with the department of education, may also teach within  
18 the academy program after appropriate certification training by  
19 the community college system.



1           Each of the seven community colleges of the university of  
2 Hawaii shall endeavor to partner with two high schools on their  
3 respective islands to establish the fourteen HiEST academies  
4 statewide. Each community college shall also consult regularly  
5 with the respective county economic development boards,  
6 workforce investment boards and other stakeholders to advise  
7 them of plans and progress on development of the HiEST academies  
8 and invite input.

9           HiEST academies shall work with the host high school to  
10 implement the required academic programs as well as project-  
11 based, contextual learning programs designed to use and expand  
12 students' academic skills. The programs shall be designed  
13 primarily for grades eleven and twelve for math, science and  
14 technology, coupled with math development for grades nine and  
15 ten.

16           Each high school academy program will strive to enroll at  
17 least twenty-five per cent of the high school student body in  
18 academy programs within two years of its inception. The  
19 statewide fourteen HiEST academies shall strive to serve four  
20 thousand high school students by the end of its second year of



1 operation with one thousand graduating from high school and the  
2 HiEST academies per year.

3 The academy system shall also strive to reduce the need for  
4 math and English remediation among its graduated academy members  
5 attending post secondary training to no more than twenty per  
6 cent.

7 The academy shall develop performance measures to ensure  
8 that the programs conducted are contributing substantially and  
9 directly to an increase in high school graduates ultimately  
10 entering post secondary STEM programs and pursuing STEM related  
11 occupations.

12 SECTION 3. There is established within the university of  
13 Hawaii, the statewide fostering inspiration and relevance  
14 through science and technology (FIRST) pre-academy program. The  
15 pre-academy program shall be headed by a director and staffed by  
16 six field staff (two for Oahu, two for the island of Hawaii and  
17 one each in Kauai and Maui counties) and a secretary. When  
18 appropriate, the functions of the field staff may be contracted  
19 to qualified private or nonprofit providers.



1           The pre-academy program shall partner with the HiEST  
2 academies, other relevant programs within the university of  
3 Hawaii system, the department of education, interested schools  
4 in areas served by HiEST academies, and appropriate public and  
5 private agencies, to establish a program of contextual learning  
6 for middle school students in science, technology engineering  
7 and math. The program shall also provide contextual learning  
8 programs for students enrolled in the HiEST academies in  
9 cooperation with the HiEST academy staff.

10           The mission of the FIRST pre-academy program with respect  
11 to middle schools shall be to stimulate the interest and  
12 achievement of students in STEM skills and help prepare those  
13 students for entry into the HiEST academy program beginning in  
14 ninth grade. The mission of the pre-academy program with  
15 respect to students enrolled in the HiEST academies shall be to  
16 support and complement the HiEST academy's academic programs  
17 with contextual learning projects.

18           The goal of the pre-academy shall be to serve at least  
19 sixteen thousand students statewide, between sixth and twelfth  
20 grades, with contextual learning experiences in STEM-related  
21 skills. The pre-academy shall also strive to motivate and



1 prepare a pool of at least one thousand students per year to  
2 enter the HiEST academy program.

3 School participation in the FIRST pre-academy programs  
4 shall be voluntary. Selected schools shall be responsible for  
5 providing space and necessary logistical support to pre-academy  
6 programs serving the school. The staff and affiliated  
7 contextual learning and teacher training specialists of the pre-  
8 academy shall strive to tailor the mix and nature of the  
9 contextual learning projects and training for teachers to the  
10 needs of each individual school served.

11 To achieve its mission, the FIRST pre-academy program shall  
12 house and provide direction for a statewide robotics and space  
13 contextual learning program and a program of research  
14 experiences for teachers (RET).

15 The robotics and space contextual learning program shall be  
16 headed by a state coordinator and staffed by two field staff.  
17 The mission of the robotics and space contextual learning  
18 program shall be to develop STEM skills among students in FIRST  
19 pre-academy and HiEST academy programs through robotics- and  
20 space-technology-based, contextual projects and competitions.



1 The robotics and space contextual learning program shall work  
2 with existing programs to expand and deepen activities such as,  
3 but not limited to, NASA explorer schools, FIRST robotics, FIRST  
4 lego league, FIRST vex, botball and underwater robotics  
5 challenge.

6 The director and staff of the robotics and space contextual  
7 learning program shall coordinate and cooperate with the  
8 director and staff of the FIRST pre-academy and HiEST academy  
9 programs in establishing a well integrated system of STEM  
10 related, contextual learning programs under the administration  
11 of the pre-academy. The robotics and space contextual learning  
12 program shall enlist, encourage, train and support volunteer  
13 teachers and other mentors to conduct robotics and space-related  
14 programs at the school level.

15 The goal of the robotics and space contextual learning  
16 program shall be to involve three thousand students.

17 The research experiences for teachers (RET) program shall  
18 be administered by the university of Hawaii college of  
19 engineering in cooperation and coordination with the FIRST pre-  
20 academy. The purpose of the RET program shall be to support the



1 development of middle school teacher skills, knowledge and  
2 development of middle school curriculum materials in STEM  
3 subject areas, with a particular focus on wireless  
4 communications.

5 In particular, the RET program shall: educate teachers in  
6 the advances in technology in wireless communications and  
7 engineering; enhance teacher research skills through the use of  
8 software and innovative uses of equipment; provide teacher  
9 participants with hands on research experiences; support  
10 teachers in developing classroom lessons and program activities  
11 which meet their course objectives and student performance  
12 standards; and provide opportunities to share and collaborate  
13 with other teacher participants to ensure successful  
14 implementation of curricula and programs.

15 Specific activities of the RET programs shall include:  
16 providing on site lectures, demonstrations, and laboratory tours  
17 at the university of Hawaii and middle schools; reviewing  
18 wireless communication concepts, methods, history, and  
19 applications; reviewing engineering and relevant science  
20 concepts, research methodology, and real-world applications;  
21 reviewing key components of inquire-based teaching materials;



1 providing teachers with technical content support; assisting  
2 teachers in adapting state-of-the-art engineering research into  
3 a meaningful classroom experience for students; providing semi-  
4 annual video conference/seminar to transfer relevant information  
5 and experiences among teacher participants and sponsors;  
6 providing summer engineering workshop for teachers; and  
7 maintaining a website for content and program dissemination.

8         The director and staff of the FIRST pre-academy program  
9 shall develop additional contextual learning projects and summer  
10 STEM training programs for elementary, middle school and high  
11 school teachers. For additional contextual learning projects  
12 priority shall be given to the areas of global positioning  
13 system technology, ocean science, astronomy, earth science and  
14 wireless communications technology, and other STEM-skills  
15 stimulating subjects as appropriate.

16         The FIRST pre-academy shall develop performance measures to  
17 ensure that all programs conducted under the pre-academy are  
18 contributing substantially and directly to an increase in  
19 student performance in STEM academics and matriculation into the  
20 HiEST academy.



1 SECTION 4. There is established within the university of  
2 Hawaii, a professional development program to provide practicing  
3 elementary, middle and high school teachers of science and  
4 mathematics with opportunities to increase their knowledge and  
5 understanding of recent developments in science, technology and  
6 mathematics. The program shall be open to both certificated and  
7 non-certificated teachers. Design of the program shall include  
8 evaluation of best practices in other school jurisdictions. In  
9 recognition that the year-round public school calendar has  
10 shortened the summer period, that not all schools are on the  
11 same academic calendar, and that programs throughout the year,  
12 offered in a variety of formats, would facilitate immediate  
13 implementation in the classroom, the program shall have the  
14 following attributes:

15 (1) Flexibility. The program shall provide a variety of  
16 options designed to meet the specific needs of  
17 Hawaii's teachers, which may include summer  
18 institutes, a combination of summer, after school or  
19 weekend institutes, distance learning through video  
20 conferencing or other mechanisms, Neighbor Island  
21 locations, or other options.



1           (2) Accountability. The program shall provide a method to  
2           track the student outcomes derived from participation  
3           in the program.

4           The goal of the professional development program for  
5 practicing teachers is to provide training for two thousand six  
6 hundred teachers during the biennium.

7           SECTION 5. There is provided funding to support a  
8 successful recruitment program currently funded under the U.S.  
9 department of education transition to teaching (TTT) program  
10 that has resulted in ninety new qualified mathematics and  
11 science teachers since it began four-and-a-half years ago. The  
12 TTT program provides stipends as recruitment incentives for  
13 people who hold degrees in STEM subjects to get their teaching  
14 certificates through the university of Hawaii's post  
15 baccalaureate certificate in secondary education (PBCSE)  
16 program. The university's TTT grant will expire in 2008. There  
17 is a chronic shortage of science and mathematics teachers and  
18 the PBSCE program is an effective method to address the problem,  
19 however recruitment for potential STEM teachers is difficult and  
20 the incentive of stipends has proven effective. The goal of the  
21 program is to produce twenty new science or mathematics teachers  
22 each year.



1 SECTION 6. There is established within the department of  
2 business, economic development and tourism, the  
3 business/education internship and mentorship program. The  
4 purpose of this program is to establish, with the cooperation of  
5 educational institutions, intern, mentorship and other  
6 experiential learning arrangements within the business  
7 community, nonprofit sector and government, for Hawaii high  
8 school students and Hawaii high school graduates attending  
9 college in Hawaii or elsewhere. The goals of this program are  
10 to provide Hawaii students with experience in the world of work  
11 to improve their career choices, and to provide an opportunity  
12 for Hawaii employers to establish relationships with students  
13 who represent an essential source of skills for Hawaii's future  
14 economic growth and prosperity. The department may contract  
15 with appropriate government, non-profit or for-profit entities  
16 to accomplish the purpose and goals of this program.

17 Section 7. There is established, within the high  
18 technology development corporation, a STEM scholarship program  
19 to provide graduates of HiEST academies with scholarships to  
20 pursue STEM degrees or certificates in approved STEM  
21 disciplines. Chapter 206M, Hawaii revised statutes, is amended



1 by adding a new section to part I to be appropriately designated  
2 and to read as follows:

3 "Section 206M- STEM scholarship special fund. (a)

4 There is established in the state treasury a fund, to be known  
5 as the STEM scholarship special fund, into which shall be  
6 deposited appropriations made by the state legislature and any  
7 funds received from other sources to support the intent of the  
8 fund.

9 (b) The board shall administer the fund with the advice of  
10 the Hawaii innovation council;

11 (c) The expenses of administering the fund shall be paid  
12 from the money in the fund;

13 (d) At the discretion of the board, administration of the  
14 fund may be accomplished by contracting with a qualified person,  
15 as provided in §206M-3(3), or appointing employees as provided  
16 in §206M-3(6), or a combination thereof;

17 (e) The treasurer of the state shall invest the money in  
18 the fund not currently needed to meet the obligations of the  
19 fund in the same manner as other public funds may be invested;

20 (f) Money in the fund at the end of a state fiscal year  
21 shall not revert to the state general fund;



1        (g) The fund shall be used to provide scholarships (up to  
2 eight semesters at an accredited institution of higher education  
3 in Hawaii) for Hawaii high school graduates who meet the  
4 following requirements:

5        (1) Is a resident of Hawaii;

6        (2) Prior to the tenth grade, agreed in writing, together  
7 with the student's custodial parents or guardian, that  
8 the student would:

9        (A) Graduate from a public or accredited nonpublic  
10 secondary school located in Hawaii that meets the  
11 admission criteria of an accredited institution  
12 of higher learning;

13        (B) Complete the STEM curriculum offered by a HiEST  
14 (Hawaii excellence through science & technology)  
15 academy;

16        (C) Not illegally use controlled substances (as  
17 defined in Chapter 329, Hawaii revised statutes;

18        (D) Not commit a crime or infraction (as defined in  
19 Chapters 329, Hawaii revised statutes; and

20        (E) Apply for admission and be accepted to attend an  
21 accredited institution of higher learning in the



1                   state of Hawaii to pursue a degree or certificate  
2                   in a STEM discipline; and

3           (3) Certifies in writing that the conditions of the  
4           written agreement as described in §206M- (g) (2) have  
5           been met.

6           (h) The maximum amount of the scholarship shall be set at  
7           the tuition equivalent of a full-time student enrolled at the  
8           university of Hawaii at Manoa;

9           (j) The board shall adopt rules pursuant to chapter 91 to  
10          implement this section, including, but not limited to:

11          (1) Rules to create the agreement signed by the student and  
12          the student's custodial parents or guardian, as  
13          described in Section 206M- (g) (2) and the  
14          certification as described in Section 206M- (g) (3);

15          (2) Rules to determine which accredited institutions of  
16          higher education are included in the scholarship  
17          program;

18          (3) Rules to determine which degrees or certificates  
19          qualify as being defined as STEM disciplines;

20          (4) Rules to establish the application process to obtain  
21          the scholarship; and



1        (5) Rules to establish criteria for disqualification as a  
2        recipient of a STEM scholarship, including appeals  
3        procedures.

4        (k) The board shall include in its annual budget request  
5        sufficient funds to implement the purpose of this section."

6        SECTION 8. There is established, within the high  
7        technology development corporation, an eminent scholars program  
8        to be funded by the state akamai investment matching special  
9        fund to enable accredited universities in Hawaii to provide  
10       donors with an incentive in the form of matching grants for  
11       donations to establish permanently endowed faculty positions in  
12       science, technology, engineering and mathematics at any  
13       accredited university in Hawaii.

14       Currently, the university of Hawaii has a little over two  
15       dozen endowed chairs and distinguished professorships, with only  
16       five in non-health related STEM disciplines. There are no STEM  
17       chairs in Hawaii's other universities. All funds appropriated  
18       for the akamai investment matching program shall be deposited  
19       into the special fund and invested until the board of directors  
20       of the high technology development corporation allocates the  
21       funds to a university to match private donations on a dollar for



1 dollar basis. The goal is to create up to five endowed STEM  
2 chairs.

3 SECTION 9: Chapter 206M, Hawaii revised statutes, is  
4 amended by adding a new section to part I to be appropriately  
5 designated and to read as follows:

6 "Section 206M- State akamai investment matching  
7 special fund. (a) There is established in the state treasury a  
8 fund, to be known as the akamai investment matching special  
9 fund, into which shall be deposited appropriations made by the  
10 state legislature and matching private donations.

11 (b) The board shall administer the fund with the advice of  
12 the Hawaii innovation council;

13 (c) The expenses of administering the fund shall be paid  
14 from the money in the fund;

15 (d) At the discretion of the board, administration of the  
16 fund may be accomplished by contracting with a qualified person,  
17 as provided in §206M-3(3), or appointing employees as provided  
18 in §206M-3(6), or a combination thereof;

19 (e) The treasurer of the state shall invest the money in  
20 the fund not currently needed to meet the obligations of the  
21 fund in the same manner as other public funds may be invested;



1        (f) Money in the fund at the end of a state fiscal year  
2 shall not revert to the state general fund;

3        (g) The fund shall be used as a funding mechanism to  
4 create new endowed faculty chairs in science, technology,  
5 engineering and mathematics at accredited universities in  
6 Hawaii;

7        (h) No state appropriations deposited into the fund shall  
8 be expended unless matched by private funds on a dollar-for-  
9 dollar basis;

10       (i) The board shall adopt rules pursuant to chapter 91 to  
11 implement this section, including, but not limited to:

12       (1) Rules to determine which accredited institutions of  
13 higher education are to be included in the eminent  
14 scholars program;

15       (2) Rules to determine which university departments  
16 qualify as being defined as STEM disciplines;

17       (3) Rules to establish the application process for  
18 universities to request funding to support an endowed  
19 chair. The board shall take into consideration the  
20 following criteria before approving state matching  
21 funds to establish a position:



- 1           (A) The ability for the position to contribute to
- 2           Hawaii's economic development;
- 3           (B) The ability for the position to make a
- 4           significant contribution to the university's
- 5           academic quality;
- 6           (C) The ability for the position to obtain
- 7           significant amounts of annual research from
- 8           highly competitive grant sources; and
- 9           (D) The field of the proposed position and its
- 10           potential funding sources, relationship to
- 11           existing research at the applying university and
- 12           in the State of Hawaii, size and scope of related
- 13           industries, and other relevant factors."

14           SECTION 10. Chapter 206M, Hawaii revised statutes, is

15 amended by adding two new subsections to Section 206M-3.5 on

16 annual reports to read as follows:

17 "Section 206M-3.5 **Annual reports.** The development corporation

18 shall report annually to the legislature twenty days prior to

19 the convening of the session on the impact of the program on:

- 20           (1) Increasing the awareness of the federal small business
- 21           innovation research program and the number of
- 22           companies submitted proposals to federal agencies;



- 1           (2) Increasing the number of phase I awards received by  
2           Hawaii businesses under the small business innovation  
3           research program; [~~and~~]
- 4           (3) Increasing the number of phase I to phase II  
5           conversions by Hawaii businesses [-];
- 6           (4) Providing STEM scholarships to graduates of HiEST  
7           academies; and
- 8           (5) Funding endowed STEM chairs at Hawaii's universities."

9           SECTION 11. There is appropriated from general funds the  
10          sum of \$3,100,000, or so much thereof as may be necessary for FY  
11          2007-2008 and the amount of \$1,600,000 or so much thereof as may  
12          be necessary for FY 2008-2009, for establishing the HiEST  
13          academy program. The sums appropriated shall be expended by the  
14          university of Hawaii for the purposes of this Act.

15          SECTION 12. There is appropriated from general funds the  
16          sum of \$1,115,000 or so much thereof as may be necessary for FY  
17          2007-2008 and the amount of \$1,450,000 or so much thereof as may  
18          be necessary for FY 2008-2009, for establishing the FIRST  
19          academy program. Of the sums appropriated, \$310,000 for FY  
20          2007-2008 and \$415,000 for FY 2008-2009, shall be expended for  
21          the robotics and space contextual learning program. Of the sums  
22          appropriated, \$180,000 for FY 2007-2008 and \$225,000 for FY



1 2008-2009, shall be expended for the research experiences for  
2 teachers (RET) program. The sums appropriated shall be expended  
3 by the university of Hawaii for the purposes of this Act.

4 SECTION 13. There is appropriated from general funds the  
5 sum of \$325,000 or so much thereof as may be necessary for FY  
6 2007-2008 and the amount of \$650,000 or so much thereof as may  
7 be necessary for FY 2008-2009, for developing programs for  
8 professional development in STEM for practicing teachers. The  
9 sums appropriated shall be expended by the university of Hawaii  
10 for the purposes of this Act.

11 SECTION 14. There is appropriated from general funds the  
12 sum of \$300,000 or so much thereof as may be necessary for FY  
13 2007-2008 and the amount of \$300,000 or so much thereof as may  
14 be necessary for FY 2008-2009, for providing stipends to attract  
15 STEM graduates to the university of Hawaii post baccalaureate  
16 certificate in secondary education program. The sums  
17 appropriated shall be expended by the university of Hawaii for  
18 the purposes of this Act.

19 SECTION 15. There is appropriated from general funds the  
20 sum of \$100,000 or so much thereof as may be necessary for  
21 fiscal year 2007-2008, and \$100,000 or so much thereof as may be  
22 necessary for fiscal year 2008-2009, for the business and



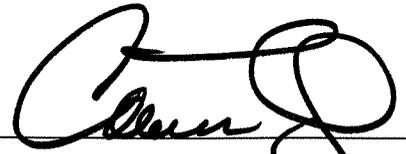
1 education internship and mentorship program. The sums  
2 appropriated shall be expended by the department of business,  
3 economic development, and tourism for the purposes of this Act.

4 SECTION 16. There is appropriated from general funds the  
5 sum of \$1,850,000 or so much thereof as may be necessary for  
6 fiscal year 2007-2008, and \$2,750,000 or so much thereof as may  
7 be necessary for fiscal year 2008-2009, for the state akamai  
8 investment matching special fund. The sums appropriated shall  
9 be expended by the university of Hawaii for the purposes of this  
10 Act.

11 SECTION 17. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 18. This Act shall take effect on July 1, 2007.  
14

INTRODUCED BY:


JAN 24 2007



**Report Title:**

Innovative Education Programs

**Description:**

Establishes new and innovative education programs to take advantage of the human resources of the state.

