#### A BILL FOR AN ACT

RELATING TO WORKFORCE DEVELOPMENT.

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

1	PART I
2	SECTION 1. The legislature finds that, pursuant to Act
3	283, Session Laws of Hawaii 2007, the legislature established
4	the educational workforce working group to examine and address
5	various issues relating to workforce needs and methods for
6	increase the workforce supply in the State. The educational
7	workforce working group prepared and submitted a report to the
8	legislature, which included seven sets of recommendations with
9	twenty-five action steps. The legislature further finds that
10	there are, among other things, issues of implementation of the
11	recommendations that the educational workforce working group
12	must continue to address to ensure that its work is completed.
13	The purpose of this Act is to implement several of the
14	educational workforce working group's recommendations for
15	addressing workforce development issues in the State by:
16	(1) Creating unique identifiers for students grades
17	kindergarten to twelve as they move into the workforce

1		and appropriating funds to conduct a study to develop
2		interfacing with existing databases;
3	(2)	Establishing a community-based exchange coordinator to
4		nurture stronger partnerships between the community
5		and the schools;
6	(3)	Expanding the running start program to include
7		internships to be created by the community-based
8		exchange and the department of education;
9	(4)	Establishing penalties for truant students and their
10		parents or guardians;
11	(5)	Extending the educational workforce working group
12		established pursuant to Act 283, Session Laws of
13		Hawaii 2007, for two additional years and providing
14		funding therefor;
15	(6)	Requiring the University of Hawaii to implement
16		incentives and performance based budgeting; and
17	(7)	Appropriating funds for working adult scholarships.
18		PART II
19	SECT	ION 2. The legislature finds that, an essential
20	element o	f educational reform is a system to assess how
21	effective	those reforms really are and why. In this way,
22	changes c	an be made to improve the results. Moreover, an
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- 1 effective assessment system should not only measure the impact
- 2 on academic achievement attributable to the reforms, but also
- 3 the long-term impact on achievement in terms of careers and
- 4 earnings. Without the ability to track the ultimate results of
- 5 new programs and additional resources devoted to educational
- 6 reform, resources could be wasted or misdirected in marginally
- 7 effective efforts.
- 8 The legislature further finds that, currently, no one
- 9 agency maintains or collects the data needed for a tracking
- 10 system that monitors enrollment in education systems,
- 11 educational outcomes, participation in programs, and workforce
- 12 participation. Cooperation among the agencies is essential to
- 13 gathering and utilizing relevant information.
- 14 Currently, there are a number of efforts underway to
- 15 improve the assessment of student performance. The Hawaii P-20
- 16 initiative is piloting a reporting system that tracks students
- 17 longitudinally from the department of education to the
- 18 University of Hawaii. The State has also received a grant from
- 19 the National Governors Association to develop an outcomes
- 20 accounting system to assess the effectiveness of science,
- 21 technology, engineering, and mathematics initiatives passed in
- 22 regular session of 2007. These efforts provide a starting point



1	for the de	evelopment of a comprehensive performance measuring			
2	system.				
3	The p	surpose of this part is to establish and appropriate			
4	funds for	a comprehensive database for tracking students from			
5	grades kin	dergarten to twelve and beyond as they move into the			
6	workforce.				
7	SECTION 3. The department of education shall convene the				
8	appropriat	e agencies, including but not limited to the			
9	University	of Hawaii and the department of labor and industrial			
10	relations, to examine current and emerging programs seeking to				
11	track stud	lent progress and develop a comprehensive tracking			
12	system for	students beginning in grades kindergarten to twelve,			
13	and beyond	l, as they move into the workforce; provided that			
14	(1)	The system shall include the creation of unique			
15		identifiers for each student;			
16	(2)	The University of Hawaii, department of labor and			
17		industrial relations, and any other appropriate agency			
18		shall work together with the department of education			
19		to develop a data sharing agreement to amass the			
20		complete range of data within the system; and			

1	(3)	The system shall assess the performance of the
2		spectrum of educational reform efforts and resource
3		allocations.

4 SECTION 4. There is appropriated out of the general

5 revenues of the State of Hawaii the sum of \$ or so

6 much thereof as may be necessary for fiscal year 2008-2009 for

7 the establishment of a comprehensive tracking system for

8 students beginning in grades kindergarten to twelve and beyond

9 as they move into the workforce.

10 The sum appropriated shall be expended by the department of
11 education for the purposes of this part.

#### 12 PART III

13 SECTION 5. The legislature finds that community-based partnerships provide an essential vehicle for achieving the 14 15 programmatic and policy objectives that can transform education and our public school students. The legislature further finds 16 17 that, while the department of education currently undertakes 18 efforts to provide opportunities for students to learn, work, 19 and volunteer within the community, a dedicated position for 20 establishing partnerships with businesses and organizations in 21 the community can provide students with extraordinary 22 experiences and knowledge.



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1	The purpose of this part is to establish a community-based
2	exchange coordinator position in the department of education to
3	facilitate partnerships with businesses and organizations in the
4	community. This part shall also appropriate funds for the
5	coordinator position, necessary support staff, and supplies and
6	equipment for operations, as well as for the enhancing the
7	department of education volunteer website to include sixty-four
8	public schools.
9	SECTION 6. Chapter 302A, Hawaii Revised Statutes, is
10	amended by adding a new section to be appropriately designated
11	and to read as follows:
12	"§302A- Community-based exchange coordinator. (a) The
12 13	"§302A- Community-based exchange coordinator. (a) The department shall establish one permanent civil service exempt
13	department shall establish one permanent civil service exempt
13 14	department shall establish one permanent civil service exempt full-time equivalent community-based exchange coordinator
13 14 15	department shall establish one permanent civil service exempt  full-time equivalent community-based exchange coordinator  position to facilitate and promote volunteerism and community
13 14 15 16	department shall establish one permanent civil service exempt  full-time equivalent community-based exchange coordinator  position to facilitate and promote volunteerism and community  partnerships within the public schools to build sustainable
13 14 15 16 17	department shall establish one permanent civil service exempt  full-time equivalent community-based exchange coordinator  position to facilitate and promote volunteerism and community  partnerships within the public schools to build sustainable  relationships for stronger learning communities and quality
13 14 15 16 17 18	department shall establish one permanent civil service exempt  full-time equivalent community-based exchange coordinator  position to facilitate and promote volunteerism and community  partnerships within the public schools to build sustainable  relationships for stronger learning communities and quality  education.
13 14 15 16 17 18 19	department shall establish one permanent civil service exempt  full-time equivalent community-based exchange coordinator  position to facilitate and promote volunteerism and community  partnerships within the public schools to build sustainable  relationships for stronger learning communities and quality  education.  (b) The community-based exchange coordinator shall be

1	(1)	Additional funding;
2	(2)	Mentorship opportunities;
3	(3)	Volunteer opportunities;
4	(4)	Internship opportunities;
5	<u>(5)</u>	Tutoring services; and
6	(6)	Professional advice and assistance for robotics and
7		other academic and after-school programs.
8	<u>(c)</u>	Community partnerships may be established with any
9	for-profi	t, faith-based, private, nonprofit, or other
10	organizat	ions in the community."
11	SECT	ION 7. There is appropriated out of the general
12	revenues	of the State of Hawaii the sum of \$100,000 or so much
13	thereof a	s may be necessary for fiscal year 2008-2009 for:
14	(1)	One permanent full-time equivalent (1.0 FTE)
15		community-based exchange coordinator position as
16		established by this part;
17	(2)	One permanent full-time equivalent (1.0 FTE)
18		administrative assistant to the community-based
19		exchange coordinator position; and
20	(3)	Any necessary travel expenses, equipment, and
21		supplies.

1 The sum appropriated shall be expended by the department of 2 education for the purposes of this part. 3 There is appropriated out of the general SECTION 8. 4 revenues of the State of Hawaii the sum of \$75,000 or so much 5 thereof as may be necessary for fiscal year 2008-2009 for the 6 enhancement of the department of education volunteer website to 7 include sixty-four schools. 8 The sum appropriated shall be expended by the department of 9 education for the purposes of this part. 10 PART IV 11 SECTION 9. Section 302A-401, Hawaii Revised Statutes, is 12 amended by amending subsection (a) to read as follows: 13 There is created in the department the running start "(a) 14 program to permit eligible students to enroll in any qualified 15 course offered by the University of Hawaii system[-] and offer 16 eligible students opportunities to participate in internships 17 established by the community-based exchange or the department." 18 PART V 19 SECTION 10. Section 302A-1135, Hawaii Revised Statutes, is 20 amended to read as follows: 21 "[+]§302A-1135[+] Penalty. (a) If any child of school 22 age persists in being absent from school, an administrative 2008-0778 HB SMA.doc

1 hearings officer, upon a proper petition, citation, or complaint 2 being made by a teacher or any other officer or agent of the 3 department, or police officer, or any other person, shall cause 4 the child, and the child's parent or guardian or other person 5 having charge of the child, to be summoned to appear before the 6 administrative hearings officer. Upon a determination by an 7 administrative hearings officer that the person responsible for 8 the child did not use proper diligence to enforce the child's 9 regular attendance at school, the responsible party shall be 10 fined: 11 (1)Not more than \$500 for a first offense; 12 Not more than \$700 for a second offense; and (2) 13 Not more than \$900 for a third offense and any (3) 14 subsequent offenses. 15 Any action taken to impose or collect the penalty provided in 16 this subsection shall be considered a civil action. 17 If any child of school age persists in [absenting (b) 18 oneself] being absent from school, the family court [judge], 19 upon a proper petition, citation, or complaint being made by the 20 [schoolteacher] teacher or any other officer or agent of the 21 department, or police officer, or any other person, shall cause 22 the child, and the [father or mother,] parent, guardian, or 2008-0778 HB SMA.doc

1	other person having charge of the child, to be summoned to				
2	appear be	fore the [ <del>judge.</del> ] <u>court.</u> Upon [ <del>its being proved</del> ]			
3	determination by the court that the person responsible for the				
4	child had	not used proper diligence to enforce the child's			
5	regular a	ttendance at school, the responsible party shall be			
6	[ <del>guilty</del> ]:				
7	(1)	Guilty of a petty misdemeanor[-] and sentenced to at			
8		least fifty hours but not more than two hundred fifty			
9		hours of community service for a first offense;			
10	(2)	Guilty of a misdemeanor and sentenced to at least			
11		fifty hours but not more than three hundred fifty			
12		hours of community service for a second offense; and			
13	(3)	Guilty of a misdemeanor and sentenced to at least			
14		fifty hours but not more than four hundred fifty hours			
15		of community service for a third offense and any			
16		subsequent offenses.			
17	(c)	If a child of more than eleven years of age persists			
18	in being	absent from school, an administrative hearings officer,			
19	upon a pr	oper petition, citation, or complaint being made by a			
20	teacher o	r any other officer or agent of the department, or			
21	police of	ficer, or any other person, shall cause the child, and			
22	the paren	t, guardian, or other person having charge of the			
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1	child, to	be s	ummoned to appear before the administrative
2	hearings c	offic	er. Upon determination by the administrative
3	hearings c	offic	er that the child did persist in being absent from
4	school, th	ne adı	ministrative hearings officer shall:
5	(1)	Place	e the child under formal school supervision and
6		requ	ire the child to be placed under detention for:
7		<u>(A)</u>	At least fifty hours but not more than two
8			hundred fifty hours for a first offense;
9		<u>(B)</u>	At least fifty hours but not more than three
10			hundred fifty hours for a second offense; and
11		<u>(C)</u>	At least fifty hours but not more than four
12			hundred fifty hours for a third offense and any
13			subsequent offenses; and
14	(2)	Orde:	r a principal to prohibit the child from
15		part	icipating in one or more co-curricular activities
16		for:	
17		<u>(A)</u>	At least eight school days but not more than
18			forty-two school days for a first offense;
19		<u>(B)</u>	At least twenty-five school days but not more
20			than fifty-eight school days for a second
21			offense; and

1	(C) At least forty-two school days but not more than
2	seventy-five school days for a third offense and
3	any subsequent offenses.
4	Any action taken to impose or enforce the penalty provided for
5	in this subsection shall be considered a civil action.
6	(d) If a child of more than eleven years of age persists
7	in being absent from school, the family court, upon a proper
8	petition, citation, or complaint being made by a teacher or any
9	other officer or agent of the department, or police officer, or
10	any other person, shall cause the child, and the parent,
11	guardian, or other person having charge of the child, to be
12	summoned to appear before the court. Upon a determination by
13	the court that the child did persist in being absent from
14	school, the family court shall render at least one of the
15	following:
16	(1) Order the examiner of drivers in the county to suspend
17	the child's driver's license or instruction permit
18	<pre>for:</pre>
19	(A) At least eight calendar days but not more than
20	forty-two calendar days for a first offense;

1		<u>(B)</u>	At least twenty-five calendar days but not more
2			than fifty-eight calendar days for a second
3			offense; and
4		(C)	At least forty-two calendar days but not more
5			than seventy-five calendar days for a third
6	·		offense and any subsequent offenses,
7		<u>if t</u>	he student has a driver's license or learner's
8		perm	it; or
9	(2)	Plac	e the student under home detention or curfew,
10		usin	g electronic monitoring and surveillance, during
11		thos	e hours of the day and days of the week when the
12		stud	ent is not required to attend school or perform
13		dete	ntion.
14	(e)	Noth	ing in this section shall be construed to require
15	a teacher	or a	ny other officer or agent of the department, or
16	police of	ficer	, or any other person who makes a petition,
17	citation,	or c	omplaint pursuant to this section to exhaust the
18	administra	ative	remedies provided in this section before bringing
19	an action	for	relief in family court.
20	<u>(f)</u>	This	section shall not apply to any child not liable
21	to compul:	sory	attendance at school."

1	SECT	ION 11. Section 571-11, Hawaii Revised Statutes, is
2	amended t	o read as follows:
3	"§57	1-11 Jurisdiction; children. Except as otherwise
4	provided	in this chapter[ $_{7}$ ] and section 302A-1135, the court
5	shall hav	e exclusive original jurisdiction in proceedings:
6	(1)	Concerning any person who is alleged to have committed
7		an act prior to achieving eighteen years of age which
8		would constitute a violation or attempted violation of
9		any federal, state, or local law or municipal
10		ordinance. Regardless of where the violation
11		occurred, jurisdiction may be taken by the court of
12		the circuit where the person resides, is living, or is
13		found, or in which the offense is alleged to have
14		occurred[+];
15	(2)	Concerning any child living or found within the
16		circuit:
17		(A) Who is neglected as to or deprived of educational
18		services because of the failure of any person or
19		agency to exercise that degree of care for which
20		it is legally responsible[-];

1		(B) Who is beyond the control of the child's parent
2		or other custodian or whose behavior is injurious
3		to the child's own or others' welfare;
4		(C) Who is neither attending school nor receiving
5		educational services required by law whether
6		through the child's own misbehavior or
7		nonattendance or otherwise; or
8		(D) Who is in violation of curfew;
9	(3)	To determine the custody of any child or appoint a
10		guardian of any child[-];
11	(4)	For the adoption of a person under chapter $578[-]$ ;
12	(5)	For the termination of parental rights under sections
13		571-61 to 571-63[+];
14	(6)	For judicial consent to the marriage, employment, or
15		enlistment of a child, when such consent is required
16		by law[+];
17	(7)	For the treatment or commitment of a mentally
18		defective, mentally retarded, or mentally ill
19		child[-];
20	(8)	Under the Interstate Compact on Juveniles under
21		chapter 582[-];

1 For the protection of any child under chapter 587[-]; (9) 2 and 3 (10)For a change of name as provided in section 4 574-5(a)(2)(C)." 5 PART VI SECTION 12. Act 283, Session Laws of Hawaii 2007, is 6 7 amended as follows: 8 By adding a new section to read: 9 "SECTION 1A. The educational workforce working group shall 10 create a website for the dissemination of information regarding workforce development resources, initiatives, and programs 11 12 within the State." 13 By amending sections 1 and 2 to read: 14 "SECTION 1. (a) There is established an educational 15 workforce working group within the department of labor and 16 industrial relations for administrative purposes only. The 17 chairperson of the workforce development council or the 18 chairperson's designee shall convene the first meeting of the 19 educational workforce working group no later than August 1, 20 2007, at which time the members shall select a chair, to examine

and address the following issues:

21

1	(1)	How well the workforce needs of Hawaii are currently
2		being met;
3	(2)	How prepared the State is to meet the workforce needs
4		of the future;
5	(3)	What recommendations can be made to improve Hawaii's
6		educational system to fulfill the workforce needs of
7		the future;
8	(4)	What is the current relationship between the public
9		schools and emerging industries;
10	(5)	What percentage of high school students participate in
11		any form of vocational or professional training
12		outside of the school setting;
13	(6)	What aspects of high school curriculum, standards, and
14		assessment strategies have a direct relationship to
15		the State's future workforce needs;
16	(7)	What are the challenges or impediments to creating a
17		more direct relationship between schools and economy-
18		driving industries of the State;
19	(8)	How might autonomous schools-within-schools, magnet
20		schools, specialized schools, and charter schools be
21		better used to create more direct links between high

1

17

this Act.

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2		and
3	(9)	How might the size of public schools, the distribution
4		of discretionary funding, the decentralized authority
5		of school community councils or charter school local
6		school boards, and other organizational reforms be
7		better used to satisfy the workforce development needs
8		of the information and technology age.
9	(b)	The educational workforce working group shall submit a
10	report on	its findings and recommendations regarding the issues
11	set forth	in subsection (a), including any recommendations and
12	proposed	legislation, to the legislature no later than twenty
13	days prio	r to the convening of the regular [session] sessions of
14	2008[÷] <u>,</u>	2009, and 2010; provided that the 2009 and 2010 reports
15	shall als	o include information on the progress of the working
16	group and	any initiatives or programs implemented as a result of

schools and economy-driving industries of the State;

- 18 (c) The membership of the educational workforce working
  19 group shall be as follows:
- 20 (1) Two representatives appointed by the president of the21 senate;

1	(2)	Two representatives appointed by the speaker of the
2		house of representatives;
3	(3)	The director of business, economic development, and
4		tourism or the director's designee;
5	(4)	The superintendent of education or the
6		superintendent's designee;
7	(5)	Two representatives from the University of Hawaii
8		system; provided that at least one shall be the
9		chancellor of a community college;
10	(6)	Two high school principals appointed by the
11		superintendent of education from the high school
12	a	principals leadership group;
13	(7)	The executive director of the Hawaii P-20 council or
14		the executive director's designee;
15	(8)	The chairperson of the workforce development council
16		or the chairperson's designee;
17	(9)	The president and chief executive officer of
18		Enterprise Honolulu or the president and chief
19		executive officer's designee;
20	(10)	The president of the Hawaii Science and Technology
21		Council or the president's designee;

1	(11) The president and chief executive officer of the
2	Hawaii Community Foundation or the president and chief
3	executive officer's designee; and
4	(12) The executive director of the Honolulu Community
5	Action Program or the executive director's designee.
6	SECTION 2. There is appropriated out of the general
7	revenues of the State of Hawaii the sum of \$25,000 or so much
8	thereof as may be necessary for fiscal year 2007-2008 and the
9	sum of \$ or so much thereof as may be necessary for
10	2008-2009 for the educational workforce working group.
11	The sum appropriated shall be expended by the department of
12	labor and industrial relations for the purposes of this Act."
13	PART VII
14	SECTION 13. The legislature finds that the University of
15	Hawaii is accountable to the legislature and should be
16	accountable for its funds in a manner that is consistent across
17	the campuses and understandable by the legislature and the
18	public. This necessitates that the goals of the system's
19	strategic plan shall be measurable terms that relate to fiscal
20	allocations. The overall purpose of this measure is to
21	delineate and require the University of Hawaii to implement an
22	incentives and performance based budgeting system.

- 1 The University of Hawaii has been developing a long-term
- 2 financial plan pursuant to a request from the legislature to
- 3 establish such a plan under Senate Concurrent Resolution No.
- 4 137, adopted in 2007. Additionally, Senate Concurrent
- 5 Resolution No. 79, adopted in 2007, requested the University of
- 6 Hawaii to report on the linking of funding for individual
- 7 campuses and performance goals, which would require the
- 8 University of Hawaii to develop a budgeting system that reflects
- 9 achievements, challenges, and needs.
- 10 Presently, the University of Hawaii's operational funding
- 11 is determined each fiscal biennium based on specific program and
- 12 personnel requests. In addition, supplemental budget requests
- 13 are prepared for the second year of each fiscal biennium to
- 14 address unforeseen issues and funding deficiencies that have
- 15 arisen after the biennium budget has been approved and funds
- 16 allocated. State appropriations for the University of Hawaii
- 17 fluctuate based on current spending needs and state general
- 18 revenue levels.
- 19 As a guide, the University of Hawaii system strategic plan
- 20 was prepared in 2002 as a means for the university to chart its
- 21 course through 2010. The strategic plan outlined the University
- 22 of Hawaii's vision, mission, commitments and core values, and



- 1 planning imperatives. The plan identified the following key
- 2 strategic goals for the university as a means of advancing its
- 3 strategic imperatives, including:
- 4 (1) Educational effectiveness and student success:
- 5 (2) A learning, research, and service network;
- **6** (3) A model local, regional, and global university;
- 7 (4) Investment in faculty, staff, students, and their
- 8 environment; and
- 9 (5) Resources and stewardship.
- 10 During fiscal year 2007-2008, the University of Hawaii
- 11 reexamined its strategic plan to update it for the next eight
- 12 years. As the only public higher education institution in the
- 13 State, the University of Hawaii is largely responsible for
- 14 helping the State meet its higher education needs, which
- 15 include:
- 16 (1) Increasing the educational capital of the State;
- 17 (2) Expanding workforce development initiatives;
- 18 (3) Assisting in diversifying the economy; and
- 19 (4) Addressing underserved regions and populations of the
- 20 State, particularly the native Hawaiian population.
- 21 These goals are being incorporated into the strategic plan that
- 22 will guide the university through 2015.

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1 The next step is to develop a finance plan to reach the strategic goals. The goal is to develop an educational compact 2 3 that would define long-term goals to address Hawaii's major 4 economic challenges and align the University of Hawaii to the 5 achievement of these goals. In turn, the university would be 6 accountable for meeting performance standards. The higher 7 education compact would be used to clearly link funding for the 8 university with specific goals and performance measures. 9 Developing the educational compact requires delineating a 10 finance plan which would link the strategic plan goals to 11 accompanying funding. Thus, there will be a long-term component 12 to the financial plan that indicates the long-term costs of 13 achieving the strategic goals and by providing long-term funding 14 targets for each institution within the University of Hawaii 15 system. There will also be a medium-term component to the 16 finance plan that will cover three biennium periods, starting 17 with the 2009-2011 biennium budget and extending to 2015 to 18 cover the same period as the strategic plan. The finance plan 19 will outline the financial costs to achieve the strategic plan 20 and will be based on measurable goals. 21 The long-term component will include the following:

1	(1)	Base operating funds- the ongoing fiscal obligations
2		that need to be adjusted for inflation and obligations
3		such as collective bargaining;
4	(2)	Capital improvement funding- annual and deferred
5		maintenance obligations; and
6	(3)	Incentive and performance outcome funding- funds
7		provided as a result of achieving specific performance
8		goals.
9	The	legislature is concerned that the University of Hawaii
10	has not b	een providing the type of information that the
11	legislatu	re needs to make decisions about the allocation of
12	funds to	the university. During the 2004-2005 fiscal year, the
13	universit	y was allocated \$777 million for its operating costs.
14	Although	the budget of the University of Hawaii was
15	approxima	tely ten per cent of the entire executive budget, the
16	universit	y could not provide timely information about finances
17	to the le	gislature; therefore, the legislature initiated a
18	systemwid	e financial audit.
19	The	first phase of the audit was conducted in the fall of
20	2005 and	focused on the University of Hawaii at Manoa. The
21	second ph	ase of the audit focused on the University of Hawaii
22	system an	d the remaining campuses. The auditor found in both

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- 1 phases of the audit that the university "struggles to
- 2 demonstrate accountability." See Systemwide Financial Audit of
- 3 the University of Hawaii System: Phase II (December 2007).
- 4 The legislature supports the development of a systematic
- 5 approach to budgeting and expenditures that is related to
- 6 strategic planning goals. The evaluation of effectiveness would
- 7 measure the progress towards planned, measurable goals and
- 8 objectives. Future funding will reflect this ongoing
- 9 responsibility.
- 10 Critical to the outcome-based process is the development of
- 11 a database that translates traditional student information into
- 12 the new, outcome-oriented tracks, defines and collects new data,
- 13 and establishes a structure that gathers follow-up information
- 14 on students once they are no longer enrolled in the institution.
- 15 Therefore, there is a need to define key student and program
- 16 outcomes, create the tracking system to gather data that can be
- 17 compared over time and link fiscal requests for use of the
- 18 university-generated and state-allocated funds to strategic
- 19 outcomes.
- 20 Of particular concern in recent years has been the
- 21 percentage of high school graduates entering college, or the
- 22 "going rate." The number of high school graduates entering



- 1 college has decreased from forty-six per cent in 1970 to 32.1
- 2 per cent in 2006. The national average is over fifty per cent,
- 3 thus, the university should be focusing on increasing the
- 4 percentage of students entering and completing programs that
- 5 benefit the State.
- 6 To assure that the student reaches the graduating level, a
- 7 special effort should be made to increase retention, transfer,
- 8 and graduation rates. Retention rates are the percentage of
- 9 students who remain enrolled at the same institution. The
- 10 average one-year restoration rate for first-time students at the
- 11 Manoa campus is seventy-nine per cent, compared to approximately
- 12 eighty-five per cent for peer universities. The rate for the
- 13 University of Hawaii at Hilo is even lower. Thus, the
- 14 University of Hawaii four-year colleges need to increase their
- 15 retention rates.
- 16 With the development of the University of Hawaii community
- 17 colleges, it is important to know the graduation rates and the
- 18 rate of transfer to four-year colleges or universities. The
- 19 good news is that the rate of transfers from the University of
- 20 Hawaii community colleges has been increasing since 2003. The
- 21 graduation rate within the University of Hawaii system is low.
- 22 The graduation rate from the University of Hilo is approximately



- 1 thirty per cent. The University of Hawaii community colleges
- 2 graduation rate is approximately fifteen per cent. These rates
- 3 are low when compared to national peers. Therefore, the
- 4 strategic plan and the outcome-based performance measures should
- 5 include data and analyses related to retention, transfer, and
- 6 graduation.
- 7 Another issue that requires the attention of the University
- 8 of Hawaii is the workforce shortage problem. In 2007, the
- 9 projected annual job openings in Hawaii that required education
- 10 beyond high school were 13,266 jobs. The annual production of
- 11 degrees and certificates at the University of Hawaii is
- 12 approximately 7,000 with the private sector of postsecondary
- 13 education providing another 3,400. Thus, the State job gap was
- 14 about 2,900. The gaps are more pronounced in certain shortage
- 15 areas, particularly teaching, nursing, computer science, social
- 16 work, middle management in travel industry management,
- 17 hospitality, and food preparation. The university needs to
- 18 include a focus on workforce shortage areas and include in its
- 19 annual report how it is meeting those needs.
- The purpose of this part is to require the University of
- 21 Hawaii to develop an incentive and performance outcome funding

1	component	for the long-range linance plan. This requirement
2	shall att	empt to accomplish the following:
3	(1)	Increasing the legislative and public support for
4		higher education;
5	(2)	Allocating funds through a dual approach of incentives
6		and performance-based funding;
7	(3)	Monitoring the general condition of the University of
8		Hawaii system;
9	(4)	Identifying potential sources of problems or areas for
10		improvement;
11	(5)	Improving the effectiveness and efficiency of colleges
12		and universities within the University of Hawaii
13		system;
14	(6)	Focusing college and university efforts on State
15		priorities and goals;
16	(7)	Assessing progress on State priorities and goals to
17		improve graduate and undergraduate education; and
18	(8)	Improving consumer information on higher education.
19	SECT	ION 14. (a) The University of Hawaii shall develop
20	outcome m	easures for approximately two per cent of its annual
21	budget: p	rovided that up to two per cent of the university's

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I	budget	shall	be	used	to	support	incentives	to	carry	out	the

- 2 University of Hawaii strategic plan; provided further that:
- 3 (1) During the 2009-2011 fiscal biennium, forty per cent
- 4 of the funds may be used to develop incentive plans
- 5 that have measurable performance outcomes and sixty
- 6 per cent of the funds shall be provided to the
- 7 departments and campuses that have reached their
- 8 performance goals; and
- 9 (2) Beginning with the 2012 fiscal year, twenty per cent
- of the funds may be used to develop incentive plans
- 11 that have measurable performance outcomes and eighty
- per cent of the funds shall be provided to departments
- and campuses that have reached their performance
- 14 goals.
- 15 (b) The University of Hawaii shall include within its
- 16 strategic plan, measurable goals and performance-based outcome
- 17 data.
- 18 (c) The University of Hawaii shall collect and maintain
- 19 records of the following data, which shall be utilized in
- 20 formulating the 2009 annual report required under subsection
- 21 (d):

1	(1)	Regular admissions standards and comparisons of
2		entering students to these standards;
3	(2)	Remediation activities and indicators of remedial
4		effectiveness;
5	(3)	Enrollment, retention, and graduation data by gender,
6		ethnicity, and program;
7	(4)	Total student credit hours produced by institution and
8		discipline;
9	(5)	Amount of tuition collected and how the tuition was
10		expended;
11	(6)	Transfer rates to and from two-year and four-year
12		colleges or universities;
13	(7)	Total degrees awarded by institution and program and
14		time to degree;
15	(8)	Pass rates on professional licensure examinations;
16	(9)	Placement data on graduates;
17	(10)	Results of follow-up satisfaction studies of alumni,
18		students, parents, and employers;
19	(11)	Faculty workload and productivity data;
20	(12)	Number and percentage of accredited and eligible
21		programs; and
2.2.	(13)	External or sponsored research funds

1	(d) The University of Hawaii shall prepare an annual
2	report in November of each year that reflects the University of
3	Hawaii's strategic plan and the following goals and includes the
4	data and analyses from the performance outcome measures that
5	facilitate the decision making process for the allocation of
6	funds to the university:
7	(1) Education quality and effectiveness- emphasizing
8	undergraduate and graduate teaching and learning.
9	Data may include standardized entrance scores; number
10	of students in remediation; effectiveness of
11	remediation; availability of academic programs; amount
12	of financial commitment to instruction; student-
13	faculty ratios; class size; percentage of students
14	taking at least one course with fewer than fifteen
15	students; student assessment results; student
16	performance on nationally-normed examinations; type of
17	faculty teaching lower-division courses; time to
18	degree completion; course demand analysis; graduation
19	rates; performance of graduates on licensure
20	examinations; job placement rates; graduate and
21	employer satisfaction; number of degrees awarded by
22	discipline; and number of degrees granted;

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1	(2)	Access-diversity equity- changing demographics and the
2		changing needs of the student population, including
3		persistence and graduation rates by ethnicity and
4		gender, availability of financial aid, faculty
5		diversity, college participation rates, progress in
6		affirmative action, and student demographics compared
7		to the state population demographics;
8	(3)	Efficiency and productivity- how well and at what cost

- particular goals or priorities are met, including program costs, time to degree and number of credits by institution and degree, classroom and laboratory utilization, changes to students, state appropriations per capita and per resident student, total contact hours of instruction by faculty rank, facilities maintenance, average faculty salary, and student-faculty ratios;
  - (4) Contribution to state needs- concerns about workforce development and economic competitiveness issues, including what programs have been modified or added to meet employer needs, the number of graduates in critical employment fields, the economic impact on the

1	state of graduates, and the continuing education
2	patterns; and
3	(5) Connection and contribution to other education
4	sectors- concerning the educational system as a whole,
5	including effectiveness of remedial education,
6	feedback on performance to high schools, and research
7	and service in support of public education.
8	PART VIII
9	SECTION 15. There is appropriated out of the general
10	revenues of the State of Hawaii the sum of \$ or so
11	much thereof as may be necessary for fiscal year 2008-2009 for
12	working adult scholarships for individuals who are over eighteen
13	years of age and who are seeking to pursuing training or
14	instruction to establish a second career in employment-shortage
15	areas, such as nursing, teaching, agriculture, and science,
16	technology, engineering, or mathematics fields.
17	The sum appropriated shall be expended by the department of
18	labor and industrial relations for the purposes of this part.
19	PART IX
20	SECTION 16. This Act does not affect rights and duties
21	that matured, penalties that were incurred, and proceedings that
22	were begun, before its effective date.

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- 1 SECTION 17. If any provision of this Act, or the
- 2 application thereof to any person or circumstance is held
- 3 invalid, the invalidity does not affect other provisions or
- 4 applications of the Act, which can be given effect without the
- 5 invalid provision or application, and to this end the provisions
- 6 of this Act are severable.
- 7 SECTION 18. Statutory material to be repealed is bracketed
- 8 and stricken. New statutory material is underscored.
- 9 SECTION 19. This Act shall take effect on July 1, 2008;
- 10 provided that sections 10, 11, 12, and part VII of this Act
- 11 shall take effect upon approval.

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INTRODUCED BY: The United States of the Contraction of the Contraction

JAN 2 2 2008

#### Report Title:

Workforce Development; Omnibus; Appropriation

#### Description:

Address workforce development issues within the State through various initiatives, programs, and appropriations. Extends the educational workforce working group two years.