



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

Date: 02/28/2018

Time: 10:45 AM

Location: 211

Committee: Senate Ways and Means

Department: Education

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

Title of Bill: SB 2523 RELATING TO ECONOMIC DEVELOPMENT.

Purpose of Bill: Requires the Department of Business, Economic Development, and Tourism to develop regional economic plans for each county to provide jobs in urban and rural areas of each county based on the development or community boundaries of each respective county. Requires Department of Business, Economic Development, and Tourism to work with the Department of Education and the University of Hawaii to develop K-12 pathways for each school that emphasize skills necessary to meet the State's specific industry needs.

Department's Position:

The Department of Education (Department) strongly supports the intent of SB 2523. The Department looks forward to collaborating with the Department of Business, Economic Development, and Tourism, and the University of Hawaii to develop and provide K-12 specific career industry pathways in each school.

Thank you for the opportunity to provide testimony on SB 2523.

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



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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LUIS P. SALAVERIA
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Written Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, February 28, 2018
10:45a.m.

State Capitol, Conference Room 211

in consideration of
SB 2523

RELATING TO ECONOMIC DEVELOPMENT.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means.

The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on SB 2523. This measure requires DBEDT to develop regional economic plans for each county to provide jobs in rural and urban areas.

The proposed regional economic plans will require strong coordination with the Department of Education, the University of Hawaii, the Office of Planning and Department of Labor and Industrial Relations, the Chamber of Commerce, the Economic Development Alliance of Hawaii (EDAH), the county Economic Development Boards, as well as the County Offices of Economic Development.

To complete these studies, DBEDT requests an appropriation of \$500,000 as long as it does not either replace or adversely impact the Administration's priorities.

Thank you for the opportunity to provide this testimony.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
February 28, 2018 at 10:45 a.m.

By
John Morton
Vice President for Community Colleges
University of Hawai'i System

SB 2523 – RELATING TO ECONOMIC DEVELOPMENT

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

Thank you for the opportunity to testify in support of SB 2523. This measure would require the University of Hawai'i Community Colleges to work with the Department of Education (DOE) and Department of Business, Economic Development and Tourism (DBEDT) to develop educational pathways that meet the State's specific industry needs.

The UH system is engaged with a nationwide initiative that partially addresses the concerns raised in the Bill: guided pathways. Guided Pathways is a national push to make program offerings and scheduling clear for students in a way that allows them to finish sooner with few or no extra credits. Owning the “whole pathway”, however, means that UH and K12 align curriculum in a way that makes the move from K12 to higher education seamless and coherent. Some of this work is underway now especially in Career Technical Education areas. The DOE has also joined UH in facing the challenge of insuring academic alignment with the economic arena. This endeavor is in its start-up phase, but much has been accomplished in the last two years. The Sector Convening Project, launched by UH two years ago and partially funded by the Strada Education Network, invites the CEO and other leadership from a sector to discuss what its needs are, especially needs that can be addressed by the educational system. The new Sector Mapping site is also a great help in these efforts.

Some good progress therefore has occurred in addressing educational coherence and its alignment with the economy. However more work is needed and this Bill directly mentions what this work is. First, the state needs better regional workforce data and strategies. Secondly, as a DEBDT report pointed out a year ago and as a recent Aloha United Way (AUW) report reiterated, something close to 50% of the state's population is not earning a family supporting sustainable income. Although UH has created the Sector Mapping site and UH also has the UH Economic Research Organization (UHERO), there is not yet enough actionable data for developing regional economic strategies and academic alignment. However, the newest project emerging from the UH Sector Mapping site breaks down a look at the economy county by county by zip code, political districts, and DOE districts. This more granular look will allow for detailed examination of what kind of demand issues exist (or not) in what part of a county: Kailua Kona needs a different strategy than Hilo and West O'ahu needs different strategy than does Honolulu. UH would be happy to coordinate this work with DBEDT.

The issue around the need for the creation of better paying jobs is a crisis. The jobs needed to address this problem are largely not those generated by a service sector economy. San Diego, 30 years ago, realized its reliance on tourism, real estate, and a naval base was going to fall short. Something close to 70% of the jobs in the state of Hawai'i require no college degree and there is little of what one might call a STEM or science economy in the state. Graduates with STEM degrees at UH, which are a focused strategy for UH, will have more opportunity to find high paying jobs in regions such as Denver, Seattle, and San Francisco. Good public policy should insure that these valued graduates consider the Hawai'i economy first upon graduation. The Bill asks that the state should "provide jobs" in rural and urban areas that are in the high wage and high demand sectors. This is essential, and there examples such as San Diego that provide reasonable roadmaps to move in this direction.

Thank you for the opportunity to provide testimony in support of the intent of this bill.



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David Miyashiro
Executive Director

Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

State Capitol
415 South Beretania Street
Honolulu, HI 96813

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee,

HawaiiKidsCAN supports SB 2523, which requires the Department of Business, Economic Development, and Tourism to develop regional economic plans for each county to provide jobs in urban and rural areas based on the development or community boundaries of each respective county; as well as work with the Department of Education and the University of Hawaii to develop K-12 pathways for each school that emphasize skills necessary to meet the state's specific industry needs.

Founded in 2017, HawaiiKidsCAN is a nonprofit organization committed to ensuring that Hawaii has an excellent and equitable education system that reflects the true voices of our communities and, in turn, has a transformational impact on our children and our state. HawaiiKidsCAN is a branch of 50CAN: The 50-State Campaign for Achievement Now.

While Hawaii's unemployment rate has reached historic lows, it's clear our state still faces persistent and complex economic challenges, and that our conversation must shift from the quantity of available jobs to the quality. Locally, we see cost of living continuing to rise as our state faces an ongoing "brain drain" of talented individuals pursuing high-growth sectors away from Hawaii. We are also unable to avoid global economic shifts, with reports suggesting that automation may eliminate a third of our nation's jobs by 2030.¹

SB 2523 is a recognition of the kinds of smart, streamlined partnerships across education, higher education, government and industry that can enable our state to truly harness the assets in our communities. HawaiiKidsCAN hopes that these conversations will include means to ensure our schools are hubs of innovation and workforce development, as well as the growing role of computer science (CS) and other science, technology, engineering and math (STEM) knowledge. Between 2017 and 2027, STEM-related occupations are projected to grow by 8 percent in Hawaii, compared with just 4 percent for all other occupations.² In particular, some of Hawaii's fastest growing occupations between 2014 and 2024 will require CS experience, including web development (26 percent growth), computer systems analysis (20 percent

¹ "Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation." Manyika, J. et al. *McKinsey Global Institute*. December 2017. <https://goo.gl/GLShNP>

² "ECS Vital Signs: STEM Demand Hawaii." *Education Commission of the States*. <http://vitalsigns.ecs.org/state/Hawaii/demand>

growth) and software development (18 percent growth).³ These and other Hawaii STEM jobs carry a median hourly wage of \$40.45, well over double the median hourly wage for all other jobs of \$19.64.⁴

So much incredible work is being done across our state to ensure we have the strong foundations for a brighter future, and HawaiiKidsCAN is excited that our education system is positioned to continue leading the way.

Mahalo for the opportunity to testify,

David Miyashiro
Founding Executive Director
HawaiiKidsCAN

³ Software development includes systems software and applications software. “Employment Projections for Industries and Occupations.” August, 2016. *Hawaii Workforce Infonet*. <https://www.hivi.org/admin/gsipub/htmlarea/uploads/Long-TermProjections-2014-2024-State.pdf>

⁴ “ECS Vital Signs: STEM Demand Hawaii.” *Education Commission of the States*. <http://vitalsigns.ecs.org/state/Hawaii/demand>