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JADE T. BUTAY
DIRECTOR

DEPT. COMM. NO. 90
WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

December 09, 2025

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-Third Legislature
State Capitol, Room 409
Honolulu, HI 96813

The Honorable Nadine K. Nakamura,
Speaker and Members House of Representatives
Thirty-Third Legislature
State Capitol, Rm 431
Honolulu, HI 96813

Dear President Kouchi, Speaker Nakamura, and Members of the Legislature:

For your information and consideration, I am transmitting copies of the Employment and Training Fund Annual Report, as required by section [383-128\(h\), Hawaii Revised Statutes \(HRS\)](#).

In accordance with section 93-16, HRS, I am also informing you that the report may be viewed electronically at <http://labor.hawaii.gov/find-a-report/>.

Sincerely,

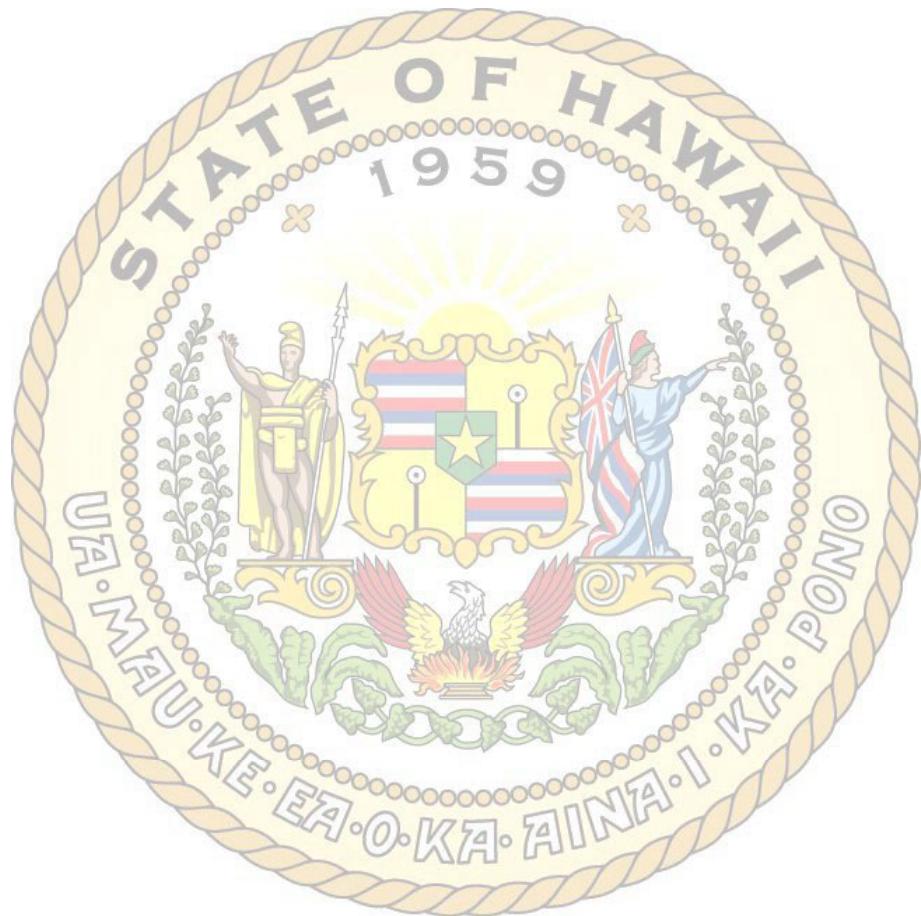
A handwritten signature of Jade T. Butay.

Jade T. Butay
Director of Labor and Industrial Relations

Enclosure

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EMPLOYMENT AND TRAINING FUND REPORT TO THE 2026 LEGISLATURE



DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS



EMPLOYMENT AND TRAINING FUND (ETF) PROGRAM FY2024-25

Legislative History

Act 68 (Session Laws of Hawaii, 1991) established the Employment and Training Fund (ETF) to address worker and skill shortages caused by significant economic, technological, and demographic changes through a .03 percent tax on employers' wages as part of the State's Unemployment Insurance Program. To balance responsibilities between the state government and business sectors, Hawai'i's legislators adopted these statutory guidelines aimed at fostering collaboration in workforce development and strengthening policies and programs aligned with the state's job market needs.

In 2002, through Act 248, lawmakers made the ETF permanent and reduced the assessment rate from 0.03% to 0.01% of taxable wages. Act 248 also requires employers receiving ETF training funds to cover at least 50% of the training costs.

Fiscal Year 2025 (July 1, 2024 – June 30, 2025)

In fiscal year 2025, Hawai'i continued to experience low unemployment rates. Despite early signs of economic stability, many businesses anticipated uncertainty later in the year, facing a range of operational challenges. The ETF responded by supporting efforts to enhance both the short-term and long-term employability of Hawai'i's workforce.

The ETF supports employers and workers through innovative training programs, including business-specific instruction, new occupational skills, management development, and support services. The ETF enables businesses to upgrade the skills of their workforce—from entry-level employees to top management—and helps workers acquire the competencies needed to remain competitive in local, national, and global

markets. These targeted funds are designed to keep Hawai‘i’s workforce skilled, adaptable, and employed at the forefront of their professions.

ETF Micro Program

The ETF Micro Program, also known as the Employer Referral Program, provides training opportunities for employees of individual businesses. It allows employers to enroll their workers in short-term, non-credit courses offered by ETF-approved public and private training providers. These courses are designed to upgrade employee skills and enhance their ability to meet the competitive demands of today’s workplace.

The ETF Micro Program is available to everyone within a company, including business owners, managers, supervisors, and employees. It covers 50% of the cost for eligible training courses, with a reimbursement cap of \$1,000 per course. To date, more than 92,000 individuals have received training through the program. Between July 1, 2024, and June 30, 2025, the ETF recorded 518 course registrations, serving 542 employees from 92 businesses across the state.

The ETF Micro Program, administered by the Workforce Development Division (WDD), is approaching the end of its two-year contract period that began in February 2024. The WDD is currently working to secure training providers for the upcoming contract cycle.

ETF Macro Program

The ETF Macro Program has historically awarded grants to business associations and consortia to develop customized training initiatives targeting critical skill shortages. These grants serve as “seed money” to support the creation of innovative education and training curricula.

The DLIR is developing a new ETF Macro Program to incentivize employers to hire and train workers in industries facing critical skill shortages.