

JAN 28 2026

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# A BILL FOR AN ACT

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RELATING TO WORKFORCE DEVELOPMENT.

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

1           SECTION 1. The legislature finds that the State's  
2 long-term economic competitiveness depends on a skilled,  
3 adaptable, and locally-trained workforce aligned with the needs  
4 of the State's priority growth industries. Employer-led,  
5 demand-driven sector partnerships have been nationally  
6 recognized as an effective strategy for aligning education,  
7 training, and workforce systems with real-time industry needs  
8 and strengthening workforce readiness.

9           The legislature further finds that the State's sector  
10 partnerships program began in 2017, when The Chamber of Commerce  
11 of Hawaii, in partnership with the university of Hawaii and  
12 philanthropic funders, launched an employer-driven sector  
13 partnership model to address persistent skills gaps, workforce  
14 shortages, and misalignment between employers and education and  
15 training systems. Since its inception, the program's sector  
16 partnerships have grown and matured into six active,  
17 employer-led industry sectors, each driven and governed by



1 employers and industry leaders within their respective fields.  
2 Sector partnerships have continuously convened businesses,  
3 industry associations, education and training providers,  
4 workforce agencies, and community partners to identify real-time  
5 skill needs, define in-demand occupations, and advance  
6 industry-informed workforce solutions aligned with employer  
7 demand.

8       The legislature also finds that the State has recently made  
9 significant investments in jobseeker-facing workforce  
10 development programs, including internship and workforce  
11 placement initiatives designed to help individuals gain work  
12 experience and employment. These programs play an important  
13 role in supporting jobseekers and facilitating labor market  
14 entry.

15       The legislature recognizes, however, that employer-led,  
16 demand-driven sector partnerships are structurally distinct  
17 from, and complementary to, jobseeker-facing workforce programs.  
18 While internship and workforce placement programs primarily  
19 focus on individual participants and short-term employment  
20 outcomes, sector partnerships function as employer-led  
21 collaboratives that convene businesses, industry associations,



1 education and training providers, and workforce agencies to  
2 identify real-time skill needs, recruit and organize employer  
3 participation, and align education and training systems with  
4 actual labor market demand.

5 The legislature additionally finds that sector partnerships  
6 serve as a coordination and alignment mechanism within the  
7 workforce ecosystem and can increase the effectiveness and  
8 return on investment of existing state workforce investments by  
9 improving employer participation, ensuring programs reflect  
10 industry needs, and supporting worker retention and advancement  
11 beyond initial job placement.

12 The legislature also finds that effective sector  
13 partnerships generate fiscal and economic benefits for the State  
14 by:

- 15 (1) Reducing reliance on out-of-state recruitment and  
16 imported talent;
- 17 (2) Improving retention and advancement of local workers  
18 within priority industries;
- 19 (3) Leveraging private-sector and federal workforce and  
20 economic development funding; and



(4) Reducing the outflow of state dollars by strengthening local talent pipelines aligned with employer demand.

Furthermore, the legislature notes that these coordination and alignment activities are ongoing in nature and cannot be effectively supported through one-time or episodic general fund appropriations alone.

Accordingly, the purpose of this Act is to establish a Hawaii employer-led sector partnerships special fund to be administered by the department of business, economic development, and tourism to provide stable and diversified funding for employer-led, demand-driven sector partnerships aligned with the State's economic priorities.

SECTION 2. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§201- Hawaii employer-led sector partnerships special fund; established. (a) There is established in the state treasury the Hawaii employer-led sector partnerships special fund to be administered by the department, into which shall be deposited:**

**(1) Moneys appropriated by the legislature;**



- 1        (2) Federal funds and reimbursements;
- 2        (3) Grants, gifts, donations, and private distributions;
- 3        (4) All interest earned on moneys deposited into the fund;
- 4                and
- 5        (5) Any other moneys received for the purposes of this
- 6                section.
- 7        (b) Moneys in the special fund shall be expended to
- 8 support employer-led, demand-driven sector partnerships,
- 9 including but not limited to:
- 10        (1) Funding employer-led sector partnership activities and
- 11                workforce pipeline development;
- 12        (2) Supporting curriculum development, credentialing,
- 13                internships, apprenticeships, and other work-based
- 14                learning aligned with industry demand;
- 15        (3) Providing technical assistance, convening support, and
- 16                promoting capacity building for industry-driven
- 17                partnerships and intermediaries;
- 18        (4) Data collection, labor market analysis, performance
- 19                measurement, and evaluation;
- 20        (5) Leveraging federal or private matching funds; and



1        (6) Supporting industry and employer partners that assist  
2        in convening sector partnerships, including through  
3        stipends, coordination support, meeting facilitation,  
4        or other modest resources necessary to engage  
5        employers and advance sector-specific workforce  
6        initiatives.

7        (c) The department shall coordinate its sector partnership  
8        activities with the workforce development council to ensure  
9        alignment with the Hawaii state workforce development unified  
10       plan and avoid duplication of workforce training and employment  
11       services.

12       (d) The department may coordinate its sector partnership  
13       activities with the department of education, department of labor  
14       and industrial relations, university of Hawaii system, and other  
15       state agencies to ensure alignment with statewide plans and  
16       avoid duplication of workforce service delivery.

17       (e) The department may enter into memoranda of  
18       understanding, contracts, or grant agreements with public or  
19       private entities, including chambers of commerce, industry  
20       associations, nonprofit organizations, labor organizations, and



1 educational institutions, to carry out the purposes of this  
2 section.

3 (f) The department shall submit an annual report on the  
4 Hawaii employer-led sector partnerships special fund to the  
5 legislature no later than twenty days prior to the convening of  
6 each regular session. The report shall include:

7 (1) An accounting of the receipts and expenditures of the  
8 special fund;

9 (2) Outcomes of sector partnership activities; and

10 (3) Performance measures demonstrating progress in  
11 workforce alignment with priority industries.

12 (g) For the purposes of this section, "sector partnership"  
13 has the same meaning as the term "industry or sector  
14 partnership" is defined in title 29 United States Code section  
15 3102(26)."

16 SECTION 3. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$                      or so  
18 much thereof as may be necessary for fiscal year 2026-2027 to be  
19 deposited into the Hawaii employer-led sector partnerships  
20 special fund.



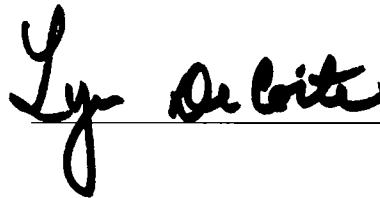
1       SECTION 4. There is appropriated out of the Hawaii  
2 employer-led sector partnerships special fund the sum of  
3 \$               or so much thereof as may be necessary for fiscal  
4 year 2026-2027 to support employer-led, demand-driven sector  
5 partnerships in the State.

6       The sum appropriated shall be expended by the department of  
7 business, economic development, and tourism for the purposes of  
8 this Act.

9       SECTION 5. New statutory material is underscored.

10      SECTION 6. This Act shall take effect on July 1, 2026.

11  
INTRODUCED BY:







# S.B. NO. 3170

**Report Title:**

DBEDT; Hawaii Employer-led Sector Partnerships Special Fund;  
Appropriation

**Description:**

Establishes the Hawaii Employer-led Sector Partnerships Special Fund to be administered and expended by the Department of Business, Economic Development, and Tourism to support employer-led, demand-driven sector partnerships in the State. Appropriates funds.

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