
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.

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

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

8 The legislature further finds that sector partnerships in
9 Hawaii began in 2017, when the Chamber of Commerce Hawaii, in
10 partnership with the university of Hawaii and philanthropic
11 funders, launched an employer-driven model to address skills
12 gaps, workforce shortages, and misalignment between employers
13 and education and training systems. Since then, Hawaii's sector
14 partnerships have grown into six active, employer-led industry
15 collaboratives that convene employers, industry associations,
16 education and training providers, workforce agencies, and



1 community partners to identify real-time skill needs, define
2 in-demand occupations, and advance industry-informed workforce
3 solutions.

4 The legislature also finds that the State has recently
5 invested in jobseeker-focused workforce programs, including
6 internship and placement initiatives that help individuals gain
7 work experience and employment. These programs are important
8 but differ from employer-led sector partnerships, which organize
9 employer engagement, assess workforce needs, and align education
10 and training systems with actual labor-market demand.

11 The legislature additionally finds that sector partnerships
12 strengthen the workforce ecosystem by improving employer
13 participation, ensuring programs reflect industry needs, and
14 supporting worker retention and advancement—not only initial job
15 placement. Effective sector partnerships also generate fiscal
16 and economic benefits by reducing reliance on out-of-state
17 recruitment, improving retention of local workers, leveraging
18 private and federal funding, and strengthening local talent
19 pipelines.

20 Furthermore, the legislature finds that these coordination
21 and alignment activities are ongoing and cannot be effectively



1 supported through one-time or episodic general-fund
2 appropriations.

3 Accordingly, the purpose of this Act is to establish within
4 the department of business, economic development, and tourism a
5 Hawaii employer-led sector partnerships special fund to provide
6 stable and diversified funding for employer-led, demand-driven
7 sector partnerships aligned with the State's economic
8 priorities.

9 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
10 amended by adding two new sections to part I to be appropriately
11 designated and to read as follows:

12 **"§201-A Hawaii employer-led sector partnerships special**
13 **fund.** (a) There is established within the state treasury the
14 Hawaii employer-led sector partnerships special fund to be
15 administered by the department. The special fund shall consist
16 of:

- 17 (1) Moneys appropriated by the legislature;
- 18 (2) Federal funds and reimbursements;
- 19 (3) Grants, gifts, donations, and private contributions;
- 20 and



- 1 (4) Any other moneys received for the purposes of this
2 section.
- 3 (b) Moneys in the Hawaii employer-led sector partnerships
4 special fund shall be used to support employer-led,
5 demand-driven sector partnerships, including but not limited to:
- 6 (1) Funding employer-led sector partnership activities and
7 workforce pipeline development;
- 8 (2) Supporting curriculum development, credentialing,
9 internships, apprenticeships, and other work-based
10 learning aligned with industry demand;
- 11 (3) Providing technical assistance, convening support, and
12 capacity building to industry-driven partnerships and
13 intermediaries;
- 14 (4) Data collection, labor-market analysis, performance
15 measurement, and evaluation;
- 16 (5) Leveraging federal or private matching funds; and
- 17 (6) Supporting industry and employer partners that assist
18 in convening sector partnerships, including stipends,
19 coordination support, meeting facilitation, or other
20 modest resources necessary to engage employers and
21 advance sector-specific workforce initiatives.



1 (c) Moneys in the Hawaii employer-led sector partnerships
 2 special fund may be expended directly by the department or
 3 through contracts, grants, or memoranda of understanding with
 4 public or private entities, including chambers of commerce,
 5 industry associations, employer organizations, nonprofit
 6 organizations, labor organizations, and educational
 7 institutions, to carry out the purposes of this section.

8 (d) The department shall enter into memoranda of
 9 understanding, contracts, or grants with public or private
 10 entities, including chambers of commerce, industry associations,
 11 nonprofit organizations, labor organizations, and educational
 12 institutions, to carry out the purposes of this section.

13 (e) The department may coordinate with the following to
 14 ensure alignment with statewide plans and to avoid duplication
 15 of workforce service delivery:

- 16 (1) The department of labor and industrial relations;
- 17 (2) The department of education;
- 18 (3) The workforce development council;
- 19 (4) The university of Hawaii system; and
- 20 (5) Any other state agency.



1 (f) No later than twenty days prior to the convening of
2 each regular session, the department shall submit an annual
3 report to the legislature that includes:

- 4 (1) Expenditures from the fund;
- 5 (2) Outcomes of sector partnership activities; and
- 6 (3) Performance measures demonstrating progress in
7 workforce alignment with priority industries.

8 **§201-B United workforce plan; sector partnerships.** The
9 department shall coordinate its sector partnership activities
10 with the Hawaii workforce development council established under
11 chapter 202 to ensure alignment with the State's unified
12 workforce plan and prevent duplication of workforce training and
13 employment services while retaining administrative
14 responsibility for the Hawaii employer-led sector partnerships
15 special fund under section 201-A."

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 for the purposes of the special fund.

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

8 SECTION 5. In codifying the new sections added by section
9 2 of this Act, the revisor of statutes shall substitute
10 appropriate section numbers for the letters used in designating
11 the new sections in this Act.

12 SECTION 6. New statutory material is underscored.

13 SECTION 7. This Act shall take effect on July 1, 3000.



Report Title:

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

Description:

Establishes and appropriates funds into and out of the Hawaii Employer-Led Sector Partnerships Special Fund. Requires the Department of Business, Economic Development, and Tourism to coordinate its sector partnership activities with the Workforce Development Council. Effective 7/1/3000. (HD1)

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