

A Bill for an Act Relating to Workforce Development.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the State's economic future is dependent upon the quality of its workforce. Over the years, several programs have been initiated to improve workforce development in Hawaii and meet the needs of the private sector. The private sector fuels the State's economy and is in need of qualified and skilled employees. Therefore, workforce development programs should be developed and implemented in a manner that ensures that the private sector has extensive participation and obtains the greatest benefit possible.

The State, through its various agencies, expends between \$80,000,000 and \$100,000,000 in federal, state, and county funding on workforce development programs. However, the private sector, especially small businesses, continues to express dissatisfaction with the delays in accessing workforce training services and funding and with the overall quality of skills possessed by Hawaii's workforce. Hawaii's workforce has a disproportionate level of low-skilled workers, totaling forty-four per cent of the workforce, compared to high-skilled workers that total eighteen percent of the workforce. Considering the amount of funding available, the State's workforce training programs should result in the development of higher skill levels in Hawaii's workforce, which in turn should result in higher paying jobs.

The purpose of this Act is to address critical industry needs and promote business development by requiring the department of business, economic development, and tourism to report on efforts to increase the number of high-skilled jobs and clarifying the duties of the workforce development council.

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

**"§201- Annual report; workforce development.** The department of business, economic development, and tourism shall submit an annual report to the legislature on the department's efforts to increase the number of high-skilled jobs in targeted industry clusters consistent with the efforts of the workforce development council. The department of business, economic development, and tourism shall post the annual report electronically on the Internet."

SECTION 3. Chapter 202, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§202- Report on workforce development programs.** (a)<sup>1</sup> The department of labor and industrial relations, University of Hawaii, department of human services, department of education, department of public safety, and department of business, economic development, and tourism shall annually report to the governor, legislature, and the workforce development council on the programs being offered, the number of individuals that have been placed in employment through their respective workforce development programs, the type or category of employment garnered, and the amount and nature of expenditures made on workforce development programs. The departments and University of Hawaii shall post their respective reports electronically on the Internet."

SECTION 4. Section 202-2, Hawaii Revised Statutes, is amended to read as follows:

“§202-2 **Duties of council.** The workforce development council shall:

- (1) Prepare and update periodically a comprehensive state plan for workforce development with strategic goals and measurable outcomes[;]. The comprehensive state plan shall include:
  - (A) Strategic goals of workforce development programs, including the identification of the desired number of highly skilled workers in the workforce, the number of placements of individuals into higher-skilled jobs, the identification of high-demand areas for job growth, the need for skilled workers in the next five and ten years, and the time frame for training and development;
  - (B) Methods to educate the private sector about state, federal, and private financial assistance available for workforce development;
  - (C) Methods to facilitate access to workforce development resources, including the reduction of regulatory burdens for employers and employees;
  - (D) The creation and improvement of educational opportunities for individuals to learn and develop new skills, including mentoring, project-based learning, and internships;
  - (E) Methods to facilitate the department of education’s development of curriculum in the public schools to prepare students for employment in the private sector;
  - (F) Recommendations to change and improve existing state programs, including the elimination of ineffective programs and the creation of new programs to improve workforce development;
  - (G) The identification of resources required, obstacles to overcome, and best practice models to implement the comprehensive state strategic plan; and
  - (H) A detailed budget for the comprehensive state plan with a justification for each expenditure;
- (2) Review and assess the coordination between the State’s workforce development programs, including programs of the federal government operating in the State, and placements in higher-skilled jobs to expand economic development and diversification; and consider:
  - (A) The State’s employment and training requirements and resources;
  - (B) Practices of employers and unions that impede or facilitate the mobility of workers; and
  - (C) The special problems of untrained and inexperienced youth, immigrants, persons with disabilities, welfare clients, single parents, disadvantaged minorities, and other groups facing barriers in the labor force;
- (3) Serve as an information clearinghouse for all workforce development programs in the State, including workforce training and education programs;
- (4) Analyze and interpret workforce information, particularly changes which are likely to occur during the next ten years; the specific industries, occupations, and geographic areas which are most likely to be involved; and the social and economic effects of these developments on the State’s economy, labor force, communities, families, social structure, and human values;
- (5) Define those areas of unmet workforce and economic development needs and describe how private and public agencies can coordinate their efforts and collaborate with each other to address those needs;

- (6) Recommend to the governor and the legislature, state policies and funding priorities based on local community input that it believes should be adopted by the state government in meeting its workforce development responsibilities to:
  - (A) Establish a workforce development system in the State in which resources are pooled and programs are coordinated and streamlined;
  - (B) Establish reporting requirements for job placement results by category of occupations in high-demand and high-growth areas;
  - ~~(B)~~ (C) Encourage a program of useful research into the State's workforce requirements, development, and utilization; and
  - ~~(C)~~ (D) Support recommended workforce policies that promote economic development, diversification, and well-being of the people in this State;

provided that the duties and responsibilities of the workforce development council shall not impinge on the constitutional and statutory authority of the board of regents and the board of education, and the statutory authority of the state board for career and technical education;
- (7) Create public awareness and understanding of the State's workforce development plans, policies, programs, and activities, and promoting them as economic investments;
- (8) Submit annual reports of its activities and recommendations to the governor and the legislature [at least once a year;], and post the annual reports electronically on the Internet no later than twenty days before the convening of each regular session. Annual reports shall include:
  - (A) The status of the comprehensive state plan for workforce development; and
  - (B) Information regarding the workforce development programs offered throughout the State, the number of individuals placed in high-demand or high-growth employment through workforce development programs by departments, the type or category of employment garnered, and allocations of state, federal, and other funding to achieve placements into higher-skilled jobs;
- (9) Evaluate the state workforce development plan in terms of how its purposes, goals, and objectives have been carried out throughout the State;
- (10) Provide technical assistance to local workforce development boards and other similar organizations;
- (11) Carry out required functions and duties related to workforce development of any advisory body required or made optional by federal legislation, including the Job Training Partnership Act of 1982, as amended, and the Wagner-Peyser Act of 1933, as amended;
- (12) In accordance with the federal Workforce Investment Act of 1998, Public Law 105-220, assist the governor in the following functions:
  - (A) The development of the State's plan for the use of federal workforce investment funds, which is required under Public Law 105-220;
  - (B) The development and continuous improvement of the statewide and local workforce investment systems described in subtitle B of Public Law 105-220, and the one-stop delivery systems described in section 134(c) of Public Law 105-220, including:
    - (i) The development of linkages referred to in Public Law 105-220, to assure coordination and non-duplication among the

- programs and activities in section 121(b) of Public Law 105-220; and
- (ii) The review of plans prepared by local workforce investment boards for the use of federal workforce investment funds which is required under Public Law 105-220;
  - (C) Commenting at least once annually on the measures taken pursuant to section 122(c)(16) of the Carl D. Perkins Vocational and Technical Education Amendments of 1998, Public Law 105-332;
  - (D) The designation of local areas as required in section 116 of Public Law 105-220;
  - (E) The development of allocation formulas for the distribution of funds for adult employment and training activities and youth activities to local areas as permitted under sections 128(b)(3)(B)(i) and 133(b)(3)(B)(i) of Public Law 105-220;
  - (F) The development and continuous improvement of comprehensive state performance measures, including state-adjusted levels of performance, to assess the effectiveness of the workforce investment activities in the State as required under section 136(b)(1) of Public Law 105-220;
  - (G) The preparation of the annual report to the United States Secretary of Labor described in section 136(d)(1) of Public Law 105-220;
  - (H) The development of the statewide employment statistics system described in section 15(e) of the Wagner-Peyser Act; and
  - (I) The development of an application for an incentive grant under section 503 of Public Law 105-220; and
- (13) Act as the designated state entity to conduct activities relating to occupational and employment information for vocational and technical education programs in compliance with section 118 of the Carl D. Perkins Vocational and Technical Education Amendments of 1998, Public Law 105-332.”

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>2</sup>

SECTION 6. This Act shall take effect upon its approval.

(Approved June 4, 2003.)

**Notes**

- 1. No subsection (b).
- 2. Edited pursuant to HRS §23G-16.5.