



EMPLOYMENT AND TRAINING FUND

2005-2006 Annual Report

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Employment and Training Fund Program (ETF)

The purpose of the ETF program is to assist employers and workers through innovative programs to upgrade and enhance the occupational and management skills of Hawaii's people to improve their long-term employability. The program serves the training needs of the community by simultaneously addressing economic and workforce development, both of which are critical to the continued vitality and growth of the State.

Unlike federal job training programs that serve only individuals who face employment barriers, the ETF is able to provide businesses the opportunity to upgrade the skills of the workforce from entry-level to top management. This allows Hawaii's workers to acquire the job skills necessary to be competitive in local, national, and international job markets.

There are two ways in which employers and employer groups can access ETF funds:

- 1) Statewide and Countywide Training Grants (macro) and,
- 2) Employer Referral Program (micro)

The ETF awards macro (organizational/community level) grants to business associations and consortia to develop customized training projects that address industry training needs in the state. These grants provide "seed money" for innovative education and training curricula and program design. Each plan must include, but is not limited to, a needs assessment, project guidelines, a marketing and delivery plan, and a self-sufficiency component to ensure the continuation of training beyond the grant period. Business and industry consortia are required to provide cash and/or in-kind contributions to strengthen their commitment to the project. To date, approximately 18,653 individuals have been trained through the macro program.

The Employer Referral Program enables private-sector employers to enroll their workers in ETF-approved public and private training courses to upgrade their skills. The program is open to all owners, managers, supervisors, and workers. In accordance with State law enacted in 2002, the ETF will pay 50% of the cost for any approved course. Employers who access ETF funds for training are required to contribute 50% or more of the cost of assistance. To date, approximately 65,142 individuals have been trained through this program.

ETF monies are generated through an employer assessment of .01 percent of taxable wages, which are collected with unemployment insurance contributions. These special funds are designed to help keep Hawaii's workforce competitive and employed at the cutting edge of their chosen profession and occupations.

FISCAL YEAR (FY) 2005-2006 RESULTS

The ETF's net available funds included a carryover balance of \$2,148,912 plus \$1,227,038 generated in net revenues. This amount, minus \$1,016,304 in expenditures and \$1,128,878 in grant encumbrances, resulted in a fund balance of \$1,232,768 for *FY 2006-2007*.

Demand for training during this report period dropped by 22% from Fiscal Year 2004-2005. This is largely attributed to the loss of five major computer training vendors from the ETF's eligible training provider list. These businesses were sold and/or ceased to operate, drastically reducing the choices to employees for computer training in their local areas, especially on the neighbor islands.

Fourteen (14) of the ETF's authorized training vendors included: Applied Computer Training & Technology, Dale Carnegie Training, Human Resources Solutions, Kona Career & Computer Center, New Horizons Computer Learning Center, Project Professionals, LLC, Safefood Solutions, Hawaii Community College, Honolulu Community College, Kapiolani Community College, Kauai Community College, Maui Community College, Windward Community College, and the University of Hawaii at Manoa, Outreach College. These vendors delivered a variety of training through the micro program. As in the prior year, technology and computer-related courses were the most requested by business. Over half (53%) of training fell into this category.

The most popular computer-related courses frequently requested by Hawaii's employers included: basic, intermediate, and advanced courses in word processing, spreadsheets, database, and presentations, computer-aid design (CAD), desktop publishing, local area networking (LAN), programming, and Internet/web page design. Other high demand courses were for training in business communication and other soft skills (15%), food safety (12%), business/management (10%), human services (7%), and agriculture/landscaping (1%). Health, language, general skills, and travel industry training comprised the remaining 2% of training categories.

Approximately 1,271 participants accessed ETF training funds. These participants registered for 2,155 classes, averaging 1.7 classes per participant. Of the total number of registrations, the ETF funded 378 participants on Kauai; 184 on Hawaii; 185 on Maui; and 1,408 on Oahu.

The ETF served a total of 405 businesses - 68 employers on Kauai, 35 on Hawaii, 50 on Maui, and 252 on Oahu.

The announcement for the upcoming RFP 2007-01 has generated a significant amount of interest from a variety of new vendors across the state. This will likely increase the number of ETF-funded training services in the next Fiscal Year.