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Report to the Legislature

Efforts to Increase the Number of High-Skilled Jobs in Targeted Industry Clusters

Pursuant to Act 148
SLH 2003

For Calendar Year 2005

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Act 148, SLH 2003, requires that “*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 is pleased to submit its 2006 report under this provision.

DBEDT and Workforce Development

The department recognizes workforce development as a key factor in the State’s ability to diversify its industry base and stimulate new and high-valued industry. Therefore, DBEDT works very closely with members of the education and training community and with the Workforce Development Council (on which the Director of DBEDT is an ex-officio member) to help ensure an adequate labor supply. In 2005, DBEDT coordinated with the Workforce Development Council (WDC) on several efforts under the Council’s purview, including completion of the National Governors Association (NGA) sponsored, *Pathways to Advancement* project, and efforts to survey the workforce staffing patterns and needs of the “Dual Use” technology sector, among other projects. In addition, the department continued initiatives begun in 2004 to assist knowledge-based industries in attracting skilled workers and expanding opportunities for Hawaii’s overseas Kama’aina to return.

Pathways to Advancement Project (NGA)

The Pathways to Advancement Project was developed by the National Governors Association in late 2003. Its purpose was to fund pilot projects in selected states to improve the ability of working adults to prepare themselves for higher-paying jobs through post-secondary training. Raising the skill level of current workers is not just a benefit for workers alone. It turns out that doing this is essential to maintain a competitive economy. Advances in technology and the competition of world markets means that the level of worker skills needed throughout the economy will continue to advance in the coming decades. Yet, most of the workers needed by the economy over the next two decades or more are already in the workforce. Thus, adding new workers to the economy, no matter how well trained, cannot fully satisfy the rising skill level that will be required by the economy as a whole in the coming years. We can only meet these needs by encouraging and helping the existing workforce to upgrade its skills through relevant and convenient training programs.

Recognizing the potential importance of this project to Hawaii, WDC members DBEDT and the University of Hawaii along with Enterprise Honolulu, jointly applied for funding under the program. Hawaii was one of only seven states chosen to participate. The project was integrated into the structure and goals of the WDC. Over the course of the two-year project, representatives of Hawaii’s major educational, workforce and economic development agencies, as well as the Legislature and Governor’s office, worked to assess Hawaii’s workforce needs and in particular help pave the way for more adults and youth to reenter the post-secondary level of the educational pipeline. A more detailed report on the results of the NGA project is in progress. However, the following is a summary of the project’s major accomplishments.

- 1) The project developed a clear statement of the workforce problems facing the State, the importance of improving the access of adults to continued education and training opportunities, and the changes in practice that need to be pursued in order to overcome the problems identified;
- 2) It identified, extracted and presented relevant data on Hawaii's education and workforce development performance from the US Census, US Department of Education Integrated Postsecondary Education Data System (IPEDS), US Department of Labor, etc.;
- 3) The project team prepared and presented a PowerPoint slide show highlighting the issues and potential solutions developed over the course of the project.

The results of the project have provided significant direction and input for numerous agencies and initiatives including

- The development of the WDC annual Report to the Governor;
- The development of the Community Colleges' biennial budget request to the 2005 Legislative Session;
- The development of an integrated State Adult Education plan between the State Department of Education and the Community Colleges;
- The commitment by the Community Colleges to fund a position from its annual Federal Perkins Act allocation to work with employers to identify education and training needs, and the colleges to develop appropriate customized training programs in response to those identified needs;
- The establishment by the DOE Adult Community Schools and the community colleges of two taskforces to develop more coherent and articulated curricula in English and Math for use in both agencies to deal with significant adult literacy problems facing the state. We are also promoting participation in the national effort, led by *Equipped for the Future*, to establish a Work Readiness Credential;
- The agreement by the State Department of Human Services and the Honolulu Community College to develop a pre-apprentice construction training program designed to be responsive to the needs of TANF clients and the construction industry;
- The development of a public information campaign with a local public relations firm that highlights the benefits to employers and the community of the training and hiring of TANF clients;

Other Areas of Coordination

In addition to the NGA project and participation on the Workforce Development Council, DBEDT coordinated with the WDC, University of Hawaii, Enterprise Honolulu and the Research and Statistics Office of the Department of Labor and Industrial Relations (DLIR) to develop more information on the workforce needs of the "dual use" Technology Sector. "Dual use" refers to products (primarily incorporating advanced technology) which are initially developed for defense use but may also be applicable to civilian industry. Hawaii has quite a number of companies

developing and supplying technologies for defense activity and the development of civilian applications for such technologies can significantly increase the market potential of the state's emerging technology sector.

In 2005, DBEDT assisted in the development of a survey of dual-use companies to be conducted by DLIR's Research and Statistics Office. The survey will identify staffing patterns and a team will be developed to follow up the survey with on-site visits to determine emerging workforce needs of this sector.

DBEDT Workforce Development Initiatives

Industry Forums

DBEDT has been working with the University of Hawaii system to create a better two-way flow of information between industry and the University on the workforce and workforce development needs. DBEDT has convened several UH industry forums such as in engineering, applied physics and astronomy. These forums have allowed companies to learn about academic programs. They have also provided an opportunity for the university to learn what the companies need in terms of graduate qualifications.

Overseas Kama'aina

In the past, many individuals have left Hawaii to seek opportunities on the mainland. DBEDT has been working to help bring these former island residents back home. Job fairs, receptions, and conferences in Northern and Southern California titled "Kama'aina Come Home," have focused on recruiting Hawaii-born college graduates, who are working in the technology sector.

The full scope of the initiatives underway by the Workforce Development Council and its partners is detailed in the upcoming 2006 annual report of the WDC.