



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of

THEODORE E. LIU

Director

Department of Business, Economic Development, and Tourism

before the

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

February 12, 2008

9:00 a.m.

State Capitol, Conference Room 309

in consideration of

HB 3072 HD1

RELATING TO THE HAWAII HIGHER EDUCATION COMMISSION.

Chair Sonson, Vice Chair Nakasone, and Members of the House Committee on Labor and Public Employment.

The Department of Business, Economic Development, and Tourism (DBEDT) strongly supports HB 3072HD1, an Administration measure proposing to rename the state post-secondary education commission, broaden its membership, and expand its responsibilities. We do not support the proposed change in the way that Commission members are appointed and have comments on other changes that have been proposed in House Draft 1.

HB3072HD1 amended the bill to reduce the number of commissioners and change the way that the four commissioners selected to represent a variety of economic sectors and the Neighbor Islands are appointed, shifting the responsibility from the Governor to the Senate President and Speaker of the House. We do not support the change in the way the Commission members are appointed. We acknowledge the intent of the Higher Education Committee to reduce the number of Commission members to a smaller number, since it is sometimes difficult to bring large groups together for meetings. However, we would like to suggest the following language to replace lines 7 and 8 on page 5:

“and from the different fields of finance, technology, health, and international affairs;”

The amended bill also makes one other major change by assigning the Commission to DBEDT for administrative purposes. The department is willing to take on this responsibility, at least on an interim basis, because of the importance of aligning higher education with the State’s economic development goals.

We understand that the Department of Education has strong objections to Section 4(d) regarding evaluation of Hawaii’s public schools and propose the following amended language:

"(d) The Commission shall assess the readiness of Hawaii's students for post-secondary education."

We welcome the opportunity to work with the education community and the Legislature to arrive at a workable bill that will serve to enhance the capacity of the State’s higher education system.

Thank you for the opportunity to provide these comments.

Date: February 12, 2008

Committee: House Labor and Public
Employment

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent

Title: H.B. No. 3072, H.D. 1 (HSCR 162-08), Relating to the Hawaii
Higher Education Commission

Purpose: Rename the state post-secondary education commission to the
Hawaii higher education commission, broaden the membership, and
expand the powers and authority.

Department's Position: The Department of Education (DOE) does not support this Bill as it is currently drafted to give the commission the authority to evaluate the DOE's elementary and secondary schools. The Board of Education, by virtue of Policy #1200-1.2 titled *Authority and Responsibility of the Board of Education*, is the authority to formulate policy and exercise control over the public school system. Giving the commission the authority to evaluate the DOE's elementary and secondary schools is in conflict with the function of the Board of Education.

The DOE, however, believes the commission's broader membership and expanded powers will increase opportunities for students to pursue post-secondary education in science, technology, engineering and mathematics (STEM). The DOE will work collaboratively as a commission member to assure that our students are prepared to pursue careers in STEM fields and enter institutions of higher education.

Testimony of Roy T. Ogawa, Esq.

HEARING DATE: Tuesday, February 12, 2008

TIME: 9:00 a.m.

PLACE: Conference Room 309
State Capitol. 415 South Beretania Street

**Subject: HB 3072 HD1 - RELATING TO THE HAWAII HIGHER
EDUCATION COMMISSION**

Honorable Rep. Alex M. Sonson, Chair, Rep. Bob Nakasone, Vice Chair and
Members of the House Committee on LABOR & PUBLIC EMPLOYMENT

I strongly support the need for a Hawaii Higher Education Commission.

I am a private citizen deeply interested in the state of education in the State of Hawaii. I am also one of three commissioners from the State of Hawaii on the Western Interstate Commission for Higher Education (WICHE) and its current Chair. However, my testimony is made in a personal capacity and not on behalf of the Commission.

The development of the Post Secondary Education Commission into a Hawaii Higher Education Commission with expanded responsibilities and a broader membership would give focus to the need for quality higher education to meet the present and future needs of our state. Many other states have a Commission on Higher Education, a Director of Higher Education or even a cabinet level Secretary of Higher Education (New Mexico) which allows for policy development, accountability of the education system, administering financial aid programs and/or recommending policy to administrative or legislative leaders. It provides a focus for the central review of higher education from many perspectives which is something that can be improved upon in the State of Hawaii.

In December of 2006, WICHE, as part of a Ford Foundation grant organized a “roundtable” meeting of parties involved in higher education and workforce development. The purpose of the meeting was to “find ways to bring higher education and workforce development into better alignment in Hawaii and to better serve underrepresented students in postsecondary education”. Dennis Jones, President of the National Center for Higher Education management Systems (NCHEMS), and WICHE’s partner on the project, along with David Longanecker, Executive Director of WICHE personally came to Hawaii for the roundtable. Mr.

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December 22, 2006

Roy Ogawa
WICHE Commissioner
Oliver, Lau, Lawhn, Ogawa & Nakamura
707 Richards Street
Honolulu, HI 96813

Dear Roy,

On Friday, December 1, 2006, many of you participated in a roundtable meeting at the Ilikai Hotel called by the Western Interstate Commission for Higher Education (WICHE), as part of a Ford Foundation grant. The purpose of the meeting was to find ways to bring higher education and workforce development into better alignment in Hawaii and to better serve underrepresented students in postsecondary education. This letter is intended to summarize the discussion and to enable the agenda set during the meeting to be put into motion.

Dennis Jones, President of the National Center for Higher Education Management Systems (NCHEMS), and WICHE's partner on this project, presented a wide array of information demonstrating the challenges facing Hawaii in serving its citizens with postsecondary education and training and in assuring a sufficient supply of jobs paying adequate wages. A central conclusion drawn from this information is that, in order to remain competitive in the global economy, Hawaii will need to concentrate energy on both **workforce** development and **workplace** development, with the former meaning the need to adequately prepare all students for education beyond high school and the world of work and the latter meaning the need to diversify the state's economy by adding jobs outside of government and the visitor industry, particularly in technology and health care.

Jones and WICHE identified several short-term initiatives to get Hawaii started on a reform agenda that would bear fruit, including:

- Better aligning K-12 learning outcomes and postsecondary expectations;
- Increasing workplace literacy efforts for adults and incumbent workers;
- Better serving areas, such as `Ewa and Waianae, with postsecondary education;
- Improving student retention and graduation rates;
- Expanding degree production in key fields, such as nursing and allied health, teacher education, computer science relevant to Hawaii's needs, and science technologies;
- Create and sustain a rapid response capability in order to more effectively and quickly meet the workforce needs of growing businesses;
- Enhance entrepreneurial education; and
- Promote technology transfer.

Following this presentation, a lively discussion generated several action steps to be pursued in the coming weeks and months. The action steps were divided up among the responsible parties, with all parties sharing responsibility for negotiating and ratifying a compact with associated accountability measures directly related to goals. In addition, the legislature should seek a new long-range financing plan of the University of Hawaii System (UHS) that eschews the current practice of line-item scrutiny, moving instead to a more flexible budget arrangement tied more

directly to priorities. For its part, the executive branch should use the “bully pulpit” to promulgate the list of priorities to all relevant state agencies, support P-20 initiatives focused on alignment, establish policy leadership for adult/incumbent worker literacy efforts, and submit a budget aligned with the priorities. Together, the legislature and the executive branch should also oversee the development of a policy audit, best conducted by an objective third party that will illuminate the ways in which policy requirements have accumulated to “get in the way” of the priorities. The UHS should submit a long-range financing plan and participate in the policy audit. It will also present its biennium budget proposal in alignment with this agenda. Finally, the private sector including the media can make the critical initial contribution by helping to define the public agenda and serve as champions for this process and the priorities that it establishes. It can also contribute by supporting a privately funded venture capital fund for rewarding improvements and by providing strong incentives to individuals looking for work or to upgrade their skills.

A central theme that was carried throughout the meeting was that while attention to meeting these challenges is needed immediately, success will only follow if that attention is sustained. No matter which direction the political winds blow in the months and years to come, the state, its educational institutions, business community, and media must remain committed to the goal and a consistent strategy for solidifying the nexus between Hawaii’s education system and its workforce needs.

The December 1 meeting was an important step in building a consensus in how to address the challenges facing Hawaii, particularly in terms of ensuring both workforce and workplace development through effective deployment of Hawaii’s educational system. I encourage each of you to focus attention on these issues; please let me know if I can answer questions or otherwise be of assistance in your efforts.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Longanecker". The signature is fluid and cursive, with a large initial "D".

David A. Longanecker
Executive Director