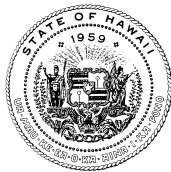


**SB175**



**STATE OF HAWAII**  
**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**  
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February 10, 2009

To: The Honorable Norman Sakamoto, Chair  
and Members of the Senate Committee on Education and Housing

The Honorable Dwight Takamine, Chair  
and Member of the Senate Committee on Labor

Date: February 11, 2009  
Time: 2:00 p.m.  
Place: Conference Room 225  
State Capitol

From: Darwin L.D. Ching, Director  
Department of Labor and Industrial Relations

**Testimony in Opposition of  
S.B. 175 Relating to Employment**

**I. OVERVIEW OF PROPOSED LEGISLATION**

S.B. 175 proposes to amend Chapter 202, HRS, regarding Hawaii Workforce Development Council, by adding a section that includes the following:

- Transfers administrative authority of the agriculture education program from the Department of Education to the Department of Labor and Industrial Relations;
- Requires the Workforce Development Council to participate in the implementation of the Agriculture Education Program; and
- Provides for the Director of the Agriculture Education Program to represent the interests of the Agriculture Education Program on the State Workforce Development Council.

The bill also proposes to do the following:

- Amend section 383-128, HRS, regarding Employment Training Fund, by adding “an agricultural education program” to the list of allowable activities under that fund;
- Appropriate an unspecified amount from the Employment Training Fund for continuation of the agricultural education program.

## **II. CURRENT LAW**

Act 111, Session Laws 2007, appropriated \$350,000 to the Department of Education to establish an agricultural education program. The funds will lapse June 30, 2009.

Section 202-2, HRS, established the Workforce Development Council.

Section 383-128, HRS, established the employment and training fund.

## **III. SENATE BILL**

The Department is opposed to this bill for the following reasons:

- The administrative responsibilities for the agricultural education program are added to Chapter 202, HRS, which governs the Workforce Development Council. However, the proposed language identifies the Department of Labor and Industrial Relations as the administering agency. It is unclear whether the Department or the Workforce Development Council is intended to be the administrator of the agricultural education program.
- The bill requires the administration to assure that it can effectively supervise the planning of research and studies for the improvement of curriculum, develop in-service programs for teachers and administrators, and develop standards and criteria that satisfy federal mandates for career and technical education. The Department does not have the pre-requisite skills and knowledge necessary to ensure these activities are conducted properly and therefore would not be an effective administrator of this program. It further believes that administration of Department of Education (DOE) programs should remain within the purview of the DOE System. However, the Department supports and encourages coordination of workforce services with educational and other agencies for the most effective use of resources and benefits possible.
- With rising unemployment, the need for workers to be prepared for emerging trends is paramount to their survival in tumultuous economic conditions. The Employment Training Fund (ETF) is being used to upgrade capabilities of current employees to meet competitive demands of the workplace. Over 450 businesses were served last year through this training program. A solicitation to be conducted shortly is intended to retrofit businesses to become more energy-

efficient and create an economy that is less dependent on finite resources. Therefore, it is imperative that ETF funds be available to those businesses struggling to survive and keep up with trends.

Act 110, Session Laws of Hawaii, 2007, reduced the taxable wage base for assessments made to the Unemployment Insurance and the Employment and Training Fund (ETF) for calendar years 2008, 2009, and 2010. As a result, ETF revenues are projected to decrease by about 65%, and it is anticipated that most of the ETF funds available will be contractually obligated for various projects by August 2009. Estimated ETF revenues will only be sufficient to support limited use of ETF-approved training vendors for employee training, the projects awarded, and administration of the ETF program.

Chair Norman Sakamoto  
Senate Committee of Education and Housing  
Chair Dwight Y. Takamine  
Senate Committee on Labor

February 11, 2009

Melvin Jadulang  
Makaku, LLC  
P.O. Box 5618  
Hilo, HI 96720

Support of SB 175, Relating to Employment.

To Chairs Sakamoto and Takamine:

I am writing to you as a citizen concerned about the future of our state's overall commitment to the Agriculture economy. I have been involved in the Department of Education's (DOE) program called Future Farmers of America (FFA) as both a student and as a coordinator for the program. This program is part of the overall Natural Resources Career Pathway that is one of six pathways in the Career and Technical Education program of the DOE. Agriculture Education as mentioned in SB 175, is synonymous with the Natural Resources Career Pathway as it is the program offered by the DOE in all of the public high schools.

Over the past decade, Hawaii has seen a significant change in the agriculture industry with the introduction of seed crops, landscaping, specialized niche farming, and other sectors of agriculture that no longer focus on just production or plantation based agriculture. The private industry along with the legislature has also identified these changes and in recent years supported the DOE agriculture education program with legislation that provided program improvement funds to implement professional development among agriculture instructors, develop new curriculum and support new initiatives that address the needs of the agriculture industry here in Hawaii. Most notably, Senate Bill 885 (Act 111) from the 2007 Legislative Session provided funding for the DOE to hire an Agriculture Program Director to do such a task.

I am pleased to say that the DOE's effort to carryout such a task is showing signs of success and the agriculture industry is seeing a renewed effort put forth by the DOE. Sadly, in this time of economic downturn, the DOE has decided once again to discontinue an effort put forth by the legislature and not fund the agriculture education program in the next school year as outlined in the budget cuts proposal by the superintendent.

This bill proposes to move the sole administration of the agriculture education program to the Department of Labor. While I think the complete move of administrative authority to the Department of Labor ensures that funds do not compete with funding for the DOE, I would like

to suggest that the committee meet with Department of Labor and Department of Education officials to see how this measure may affect the overall success of the current agriculture education program. I am concerned that by placing total administrative authority of the agriculture education program outside of the DOE may create an educational disconnect with the planning and implementation authority that the DOE solely has on it's programs and teachers in the public schools.

As this bill moves through the legislative process, both departments must meet to suggest amendments that would clearly identify the DOE's roles as the authority to establishing and evaluating programs, developing standards and providing teacher support while the Department of Labor should work in collaboration with its council on guiding and fiscally supporting initiatives that will closely reflect workforce development from both a secondary, post secondary and community level for the DOE's agriculture education program. Such examples would include working with the University of Hawaii System to recruit more teachers into the agriculture education profession and developing programs to train a workforce (high school and post grad) into emerging agriculture careers. Removing the agriculture education program from the DOE lessens the department's obligation to implement a strong agriculture program in its schools. Adding a Department of Labor component to the existing program further strengthens the program by connecting the workforce and the education programs and obligates the DOE to work with the workforce council to ensure agriculture education is meeting the educational needs of Hawaii's agriculture industry. Additionally this component would be able to provide the fiscal authority to support the initiatives both in the DOE and outside in the current workforce.

This testimony serves as a letter showing support of this measure and encourages the committee to pass this bill with recommendations to seek out input from the departments this measure is affecting.

Thank you for this opportunity to testify.