



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 25, 2014

To: The Honorable Sylvia Luke, Chair,
The Honorable Scott Y. Nishimoto, Vice Chair,
The Honorable Aaron Johanson, Vice Chair, and
Members of the House Committee on Finance

Date: February 25, 2014
Time: 11:15 a.m.
Place: Conference Room 308, State Capitol

From: Dwight Y. Takamine, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 2217 HD 2 Relating to Workforce Development

I. OVERVIEW OF PROPOSED LEGISLATION

- The proposed legislation amends Chapter 371, HRS, by adding a new section that allows the department to establish work groups for the purposes of identifying emerging or growing industries, determining necessary skill sets for jobs in those industries, and developing training programs to provide those skills.
- The work groups shall consist of representatives from education, post-secondary education, and business communities.

The department supports this bill if its passage does not replace or adversely affect priorities indicated in the Executive Budget.

II. CURRENT LAW

Act 99, Session Laws of Hawaii 2013, added a new section to Chapter 371, HRS, to establish an agricultural workforce advisory board to promote agricultural self-sufficiency. However, no funding was appropriated to implement its operation.

III. COMMENTS ON THE HOUSE BILL

- Workgroups that identify and address skill shortages in specific areas will help remove silos among education, workforce, and business communities so that public resources can nimbly respond to business needs and create a highly skilled workforce to support growing demands.
- The workgroups are intended to quickly address immediate workforce needs and solve long-term workforce issues. Having a qualified workforce supports the establishment and growth of new industries and enables businesses to utilize local workers instead of recruiting from out-of-state.
- The workgroups would encourage companies normally in competition with each other to solve shared human resource problems and collaboratively develop training programs and materials for their workers.
- The success of workgroups has been demonstrated in different states, including Washington State, where over 30 work groups (called “skill panels”) have identified and addressed skill shortages in numerous occupations.*
- A variation of the Washington skills panel model was used by the department to identify specific skill gaps in Hawaii’s healthcare, agriculture, and software development industries. The department and the State Workforce Development Council convened industry leaders, educators, and workforce partners to identify skills shortages and recommend solutions in each area. (For Hawaii’s Skill Panels Reports, go to <http://labor.hawaii.gov/wdc/reports/>)
- However, when the federal grants used to convene these work groups expired, the groups could not be sustained. There were no funds to develop recommended training. For a work group to be effective, additional funds would be necessary to develop training and to sustain work groups over a longer period so their continued feedback can help redesign training to meet changing market demands.

*”Industry Skill Panels” State of Washington Workforce Training and Educational Coordinating Board. www.wtb.wa.gov/IndustrySkillPanel.asp

- For these reasons, DLIR supports this proposal if its passage does not replace or adversely affect priorities indicated in the Executive Budget.

*"Industry Skill Panels" State of Washington Workforce Training and Educational Coordinating Board. www.wtb.wa.gov/IndustrySkillPanel.asp



THE HAWAII STATE HOUSE OF REPRESENTATIVES
The Twenty-Seventh Legislature
Regular Session of 2014

COMMITTEE ON FINANCE

The Honorable Rep. Sylvia Luke, Chair
The Honorable Rep. Aaron Ling Johanson, Vice Chair
The Honorable Rep. Scott Y. Nishimoto, Vice Chair

DATE OF HEARING: Tuesday, February 25, 2014
TIME OF HEARING: 11:15AM
PLACE OF HEARING: Conference Room 308

TESTIMONY ON HB2217 HD2 RELATING TO WORKFORCE DEVELOPMENT

By DAYTON M. NAKANELUA,
State Director of the United Public Workers,
AFSCME Local 646, AFL-CIO ("UPW")

My name is Dayton M. Nakanelua and I am the State Director of the United Public Workers, AFSCME, Local 646, AFL-CIO (UPW). The UPW is the exclusive representative for approximately 14,000 public employees, which include blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties. The UPW also represents about 1,500 members of the private sector.

The UPW supports HB2217 HD2, which authorizes DLIR to establish working groups to identify high growth industries and workforce needs and to develop training programs. Appropriates unspecified funds.

We ask that you pass this bill.

Thank you for the opportunity to testify on this measure.



HPCA

HAWAII PRIMARY CARE ASSOCIATION

House Committee on Finance

The Hon. Sylvia Luke, Chair

The Hon. Scott Y. Nishimoto, Vice Chair

The Hon. Aaron Ling Johnson, Vice Chair

Testimony in Support of House Bill 2217, HD2

Relating to Workforce Development

Submitted by Robert Hirokawa, Chief Executive Officer

February 25, 2014, 11:15 am, Room 308

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 2217 HD2, calling for the establishment of work groups to identify high job growth industries and workforce needs.

The HPCA is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. These conditions serve as risk factors endemic to a person's living and working environment, rather than their behavioral or genetic histories. Factors such as income, education, access to recreation and healthy foods, housing, and employment, can and do have measurable impacts on a person and a community, both in health and financial outcomes.

House Bill 2217 HD 2 speaks to one of these major determinants directly by seeking to expand the workforce population and provide Hawaii residents with necessary training.

For these reasons, we strongly support this measure and thank you for the opportunity to testify.