



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
April 5, 2018 at 10:15 a.m.

By  
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### HB 975 HD1 PROPOSED SD1 – RELATING TO ECONOMIC DEVELOPMENT

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

Thank you for the opportunity to testify in support of HB 975 HD1 PROPOSED SD1. Part II, Section 5, of this measure would require the University of Hawai'i Community Colleges to work with the Department of Education (DOE) and Department of Business, Economic Development and Tourism (DBEDT) to develop educational pathways that meet the State's specific industry needs.

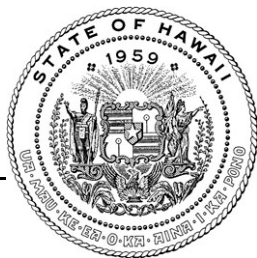
The UH system is engaged with a nationwide initiative that partially addresses the concerns raised in the Bill: guided pathways. Guided Pathways is a national push to make program offerings and scheduling clear for students in a way that allows them to finish sooner with few or no extra credits. Owning the “whole pathway”, however, means that UH and K12 align curriculum in a way that makes the move from K12 to higher education seamless and coherent. Some of this work is underway now especially in Career Technical Education areas. The DOE has also joined UH in facing the challenge of insuring academic alignment with the economic arena. This endeavor is in its start-up phase, but much has been accomplished in the last two years. The Sector Convening Project, launched by UH two years ago and partially funded by the Strada Education Network, invites the CEO and other leadership from a sector to discuss what its needs are, especially needs that can be addressed by the educational system. The new Sector Mapping site is also a great help in these efforts.

Some good progress therefore has occurred in addressing educational coherence and its alignment with the economy. However more work is needed and this Bill directly mentions what this work is. First, the state needs better regional workforce data and strategies. Secondly, as a DEBDT report pointed out a year ago and as a recent Aloha United Way (AUW) report reiterated, something close to 50% of the state's population is not earning a family supporting sustainable income. Although UH has created the Sector Mapping site and UH also has the UH Economic Research Organization (UHERO), there is not yet enough actionable data for developing regional economic strategies and academic alignment. However, the newest project emerging from the UH Sector Mapping site breaks down a look at the economy county by county by zip code, political districts, and DOE districts. This more granular look will allow for detailed

examination of what kind of demand issues exist (or not) in what part of a county: Kailua Kona needs a different strategy than Hilo and West O'ahu needs different strategy than does Honolulu. UH would be happy to coordinate this work with DBEDT.

The issue around the need for the creation of better paying jobs is a crisis. The jobs needed to address this problem are largely not those generated by a service sector economy. San Diego, 30 years ago, realized its reliance on tourism, real estate, and a naval base was going to fall short. Something close to 70% of the jobs in the state of Hawai'i require no college degree and there is little of what one might call a STEM or science economy in the state. Graduates with STEM degrees at UH, which are a focused strategy for UH, will have more opportunity to find high paying jobs in regions such as Denver, Seattle, and San Francisco. Good public policy should insure that these valued graduates consider the Hawai'i economy first upon graduation. The Bill asks that the state should "provide jobs" in rural and urban areas that are in the high wage and high demand sectors. This is essential, and there examples such as San Diego that provide reasonable roadmaps to move in this direction.

Thank you for the opportunity to provide testimony in support of the intent of this bill.



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Written Statement of  
**LUIS P. SALAVERIA**  
Director

Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Thursday, April 5, 2018  
10:15 a.m.  
State Capitol, Conference Room 211

in consideration of

### **HB975, HD1, Proposed SD1 RELATING TO ECONOMIC DEVELOPMENT.**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) **supports the intent** of HB975, HD1, Proposed SD1 and **offers comments:**

- Part I: DBEDT will need funds for administrative expenses connected with convening the Advisory Council for Global Economic Competiveness, and following up with issues on matters brought up by the Council. It is estimated that \$100,000 per year is necessary for the operation of this Council. In addition, DBEDT requests that, on Page 3, line 16, after the word "tourism", the words, "or their designate" be inserted to serve as ex officio members of the Council; and on Page 5, line 2 after the word "tourism", the words "or its designate" be inserted.
- Part II: The proposed regional economic plans will require strong coordination with the Department of Education, the University of Hawaii, the Office of Planning and Department of Labor and Industrial Relations, the Chamber of Commerce, the Economic Development Alliance of Hawaii (EDAH), the county Economic Development Boards, as well as the County Offices of Economic Development. To complete these studies, DBEDT requests an appropriation of \$500,000.

DBEDT supports this measure as long as it does not either replace or adversely impact the Administration's budget priorities. Thank you for the opportunity to provide this testimony.



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SENATE COMMITTEE ON WAYS AND MEANS  
Thursday, April 5, 2018, 10:15 AM, Conference Room 211  
House Bill 975, Proposed SD 1, Relating to Economic Development

**TESTIMONY**

Chair Dela Cruz and Committee Members:

If the Senate passes HB 975, Proposed SD 1, the subject of the Proposed SD 1 will not have had 3 readings or a public hearing in the State House. Under Article III, Section 15 of the Hawaii Constitution, the Legislature is not authorized to enact a bill whose subject has not had three separate readings in the State House and three separate readings in the State Senate.

Thank you for the opportunity to submit testimony.