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Mike MCCARTNEY  
DIRECTOR

## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**MIKE MCCARTNEY**  
Director  
Department of Business, Economic Development and Tourism  
before the  
**SENATE COMMITTEES PUBLIC SAFETY, INTERGOVERNMENTAL, AND  
MILITARY AFFAIRS AND WAYS AND MEANS**  
Monday, February 25, 2019  
11:30 AM  
State Capitol, Conference Room 211  
in consideration of  
**SB 365, SD1**  
**RELATING TO ECONOMIC DEVELOPMENT.**

Chairs Nishihara and Dela Cruz, Vice Chairs Wakai and Keith-Agaran, and Members of the Committees on Public Safety, Intergovernmental, and Military Affairs and Ways and Means.

The Department The Department of Business, Economic Development and Tourism (DBEDT) appreciates the intent of SB 365, SD1 which requires: 1) DBEDT to develop an annual regional economic plans for each county; 2) The Workforce Development Council/DLIR to consult with the Department of Education and the University of Hawaii to develop K-16 pathways and programs to meet each region's specific industry needs in each public school and public charter school; 3) The DOE to maintain records of credentials and internships and schools offering pathways and programs; 4) SPO to exempt qualified internship programs from Chapter 103D; and 5) Each participating school may receive up to \$1,000 in bonus incentive for each student who has completed a qualifying internship in the previous budget year. The bill appropriates \$500,000 in each year of the biennium to be expended by DBEDT.

DBEDT offers the following **comments**:

This is a meritorious program which requires careful planning and collaboration by five state departments and hundreds of schools and industry partners to be implemented successfully. DBEDT believes the measure is premature because it does not afford sufficient time for the partners to develop an implementation plan. DBEDT respectfully requests that this measure be deferred for at least a year to give the partners an opportunity to work out proposed operating arrangements. Thank you for the opportunity to testify.



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 02/25/2019

**Time:** 11:30 AM

**Location:** 211

**Committee:** Senate Public Safety,  
Intergovernmental and Military Affairs  
Senate Ways and Means

**Department:** Education

**Person Testifying:** Dr. Christina M. Kishimoto, Superintendent of Education

**Title of Bill:** SB 0365, SD1 RELATING TO ECONOMIC DEVELOPMENT.

**Purpose of Bill:** Requires and appropriates funds for the department of business, economic development, and tourism to develop annual regional economic plans for each county to identify regional economic priorities and industry clusters and jobs within those priorities and clusters. Requires the workforce development council to develop, based on the findings of the regional economic plans, K-16 pathways and programs in each public school, including each public charter school, that prepare students to fill the priority jobs identified in the regional economic plans. Requires participating schools to communicate opportunities to enroll in K-16 pathways and qualified internship programs to prepare students for jobs identified by regional economic plans as priorities in each geographical area. (SD1)

**Department's Position:**

The Department of Education (Department) offers comments on SB 365 SD1.

The Department works closely with the Office of the State Director for Career and Technical Education and Hawaii P-20 Partnerships for Education to implement and support programs pursuant to the federal Carl Perkins Act for Career and Technical Education.

Career pathways are offered to students by Hawaii's public high schools to guide career exploration and planning activities, to focus teaching and learning, and to link education with relevant, real-world activities. The six pathways are comprised of: Arts and Communication, Business, Health Services, Industrial and Engineering Technology, Natural Resources, and Public and Human Services. Additionally, a range of studies within each pathway promotes student choice to develop their academic and career potential and aspirations. More information on Career and Technical Education can be found on the Department's public website at: <http://www.hawaiipublicschools.org/TeachingAndLearning/StudentLearning>

</CTE/Pages/default.aspx>

Schools implement pathways based on a number of factors including student interest, availability of resources, and workforce demand. Throughout the continuous process to ensure access to comprehensive and high-quality opportunities to prepare students for careers, there is need for data to inform efforts and expanding programs with industries being proposed in the bill.

The Department defers to the Department of Business, Economic Development & Tourism for any implementation concerns.

Thank you for this opportunity to provide testimony on SB 365 SD1.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at [www.hawaiipublicschools.org](http://www.hawaiipublicschools.org).



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David Miyashiro  
Executive Director

February 25, 2019

Committee on Public Safety, Intergovernmental, and Military Affairs  
Senator Clarence K. Nishihara, Chair  
Senator Glenn Wakai, Vice Chair

Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

Aloha Chairs Nishihara and Dela Cruz, Vice Chairs Wakai and Keith-Agaran, and Members of the Committee,

**HawaiiKidsCAN strongly supports SB 365 SD1 with the suggested amendment:.**

1. **Include industry credentials:** While the internship programs articulated in SB 365 SD1 hold much promise for our local students, states are increasingly also recognizing the impact of pathway programs that result in a high-value industry credential or certification. HawaiiKidsCAN humbly requests subsections D, E, G of Section 2 be amended to include “industry certifications” along with articulated internship programs.

Removing barriers to relevant, applied, and innovative learning experiences is necessary if we want our kids to shape and lead the world of the future. We see industry and public schools as natural partners in preparing students for tomorrow—if only there were less red tape.

Founded in 2017, HawaiiKidsCAN is a nonprofit organization committed to ensuring that Hawaii has an excellent and equitable education system that reflects the true voices of our communities and, in turn, has a transformational impact on our children and our state. Last year, our centerpiece campaign sought to increase equity and access for STEM and computer science learning experiences. These opportunities expose students to skills connected with high-wage, high-growth industries, giving them more options upon graduation.

Today, our students face an uncertain, deeply complex economic future, both globally and locally. The cost of living continues to rise in Hawaii while affordable



housing options become more scarce. By forging a strong and thoughtful link between local schools and industry, we can ensure the next generation thrives in that challenging environment; grow our local economy; and address the state's persistent "brain drain" phenomenon, which sees many of our talented students leave for the mainland and stay there due to perceived lack of opportunity.

Given the diverse and varied needs of our local communities, SB 365 SD1 provides critical alignment between K-12 and higher education. It builds on exciting work happening locally already thanks to innovative school and industry partners. This bill moves the needle by focusing on the unique needs of each region of our state, with a specific emphasis on high-wage, high-growth sectors.

SB 365 SD1 also makes it easier for schools and businesses to offer internships, and helps to protect students so that their time is being spent on tasks actually related to the career skills they are trying to build. SB 365 SD1 also spurs innovation in schools by providing them the resources to expand more opportunities for students.

Ultimately, we hope schools will be inspired by what is happening around the state and will build out their own programs.

States like Tennessee and Colorado have already taken the lead on initiatives to coordinate across sectors or provide incentives to schools to offer industry certifications, internships and Advanced Placement computer science courses. School districts in Washington State also offer summer internships aligned to regional careers in areas such as aerospace and advanced manufacturing, health and medicine, information and communication technology, energy and sustainability, business and professional services, and education. We believe that SB 365 SD1 moves similar work forward for Hawaii, and we are excited to see what Hawaii's students will achieve when they have opportunity to attain transformative, marketable skills under SB 365 SD1.

Mahalo for the opportunity to testify,

David Miyashiro  
Founding Executive Director  
HawaiiKidsCAN

**SB-365-SD-1**

Submitted on: 2/24/2019 10:48:18 AM

Testimony for PSM on 2/25/2019 11:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ac'Lynne Uesugi	Testifying for W.A.V.E. (Hawaii's Kids Can)	Support	No

Comments:

February 24, 2019

Welina mai me ke Aloha Kakahiaka Honorable Chairs Dela Cruz, and Nishihara, & Honorable Vice Chairs Keith-Agaran, and Wakai,

‘O wau Phoenix Maimiti Valentine. He ‘Umikā‘ā lima o‘u makahiki. He haumana au. Ke noho nei au ‘o Mā‘ā kaha. ‘O wau kahi Kupa o ka Honua.

I am Phoenix Maimiti Valentine, a 15 year old homeschooler from Mā‘ā kaha. I am a citizen of the world. I am not the only one. SB365 SD1 will benefit my fellow world citizens through educational opportunities today. I support SB365 SD1.

SB365 SD1 does not affect homeschoolers, like me. It would however, aid Public School and Public Charter School Students of Hawai‘i. SB365 SD1 proposes internships for students K-16. These internships will draw children towards their future career and possibly, their dream.

Education, and job security is a necessity. As SB365 SD1 states, automation could be replacing as high as 50% in current businesses by 2030. I support the amendment to SB365 SD1. Please amend subsections D, E, G of Section 2 to include “industry certifications” along with the articulated internship programs.

Internships will gain children field experience, and therefore provide them an increase of knowledge. By participating, they become familiar with their future career, before it begins. Having knowledge produces better quality work, raising the value of a service, thereby, making Hawai'i a formidable global competitor.

Hawai'i is internationally renowned. By investing in students through internships, you invest in Hawai'i's future livelihood. Please support SB365 SD1.

Na'u nā• , Phoenix Maimiti Valentine

**SB-365-SD-1**

Submitted on: 2/24/2019 10:49:30 AM

Testimony for PSM on 2/25/2019 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Phoenix Maimiti Valentine	Testifying for W.A.V.E. (Hawai'i Kids Can)	Support	No

Comments:

February 24, 2019

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‘O wau Phoenix Maimiti Valentine. He ‘Umikākau mō lima o‘u makahiki. He haumana au. Ke noho nei au ‘o Mō kaha. ‘O wau kahi Kupa o ka Honua.

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Na'u nĀ• , Phoenix Maimiti Valentine

**SB-365-SD-1**

Submitted on: 2/24/2019 11:12:14 AM

Testimony for PSM on 2/25/2019 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

**SB-365-SD-1**

Submitted on: 2/23/2019 6:30:34 PM

Testimony for PSM on 2/25/2019 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dyson Chee	Individual	Support	No

Comments:

Aloha Chairs Dela Cruz and Nishiara and and Keith-Agaran and Wakai,

I am proud to support SB365 and the amendment because it will help to increase opportunities for high school students like me to access quality jobs after graduating. I support the amendment to SB365 D1, please amend subsections D, E, G of Section 2 to include "industry certifications" along with the articulated internship programs. This will help students develop real-world skills that will empower us to find jobs upon graduation. Our jobs security, and the bright future ahead of us depends on educational shifts of today. I support SB365 D1.

February 23, 2019

Committee on Public Safety, Intergovernmental, and Military Affairs  
Senator Clarence K. Nishihara, Chair  
Senator Glenn Wakai, Vice Chair

Committee on Ways and Means  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

Aloha Chairs Dela Cruz and Nishiara and and Keith-Agaran and Wakai,  
My name is Camron Johnson- Lee, I am currently a 16 year old junior attending Hawaii Technology Academy in Waipahu and I would like to testify in support of the amendment to SB365 D1, **please amend subsections D, E, G of Section 2 to include "industry certifications" along with the articulated internship programs.** This will gives students like me the opportunity to better ourselves and support our community at a higher and more contributive level than we currently can, helping us to develop real-world skills that will better our qualifications for jobs upon graduation.  
Mahalo, Camron Johnson- Lee

**SB-365-SD-1**

Submitted on: 2/24/2019 8:35:16 AM

Testimony for PSM on 2/25/2019 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kristilyn Oda	Individual	Support	No

Comments:

High schoolers are highly capable and in great need of educational opportunities that will lead them into solid career pathways. By engaging them in purposeful internships, they will encourage peers on the edge to jump to a positive, productive use of time. In turn, they will build a stronger economic future for our communities. The secondary education will level up to provide a base for these students who are ready to launch into learning skills that are relevant for modern jobs. If I were to go into a time machine and rebuild my past education, this is what I want for myself. This is what I want for my child, my students & communities.

The elementary school students that I teach, already tell me at 9 years old, that education is important to them because it leads to a career. At many schools, like mine, we hold Career Days and help them explore potential jobs to help them understand careers a bit better. Often it is what you see and learn when you are in the workplace differs from the slivers of knowledge you can learn inside the classroom. Breaking beyond the walls, we can help the students see what it is REALLY like and choose a path more clearly. Our students need access to high impact work-based learning experiences as they will contribute to the economic development of our state. We can fulfill their dreams by giving them opportunities. The workplaces are rallying and eager to meet student needs for a healthier and smoother entry to the workplace. We just need to step it up and this bill paves the way of how we can make changes to do it.

As industry certifications are also highly valuable, please amend to include these opportunities/partnerships in public schools, as well. This innovation gives resources to expand more opportunities for our students.

~Kristilyn Oda, NBCT

**SB-365-SD-1**

Submitted on: 2/24/2019 9:30:21 AM

Testimony for PSM on 2/25/2019 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Suzanne Skjold	Individual	Comments	No

Comments:

Aloha,

I would like to add for your consideration language that specifies students will be prepared for, and schools will develop programs directed toward higher wage and career oriented jobs. As it reads now, it raises the concern that the jobs identified as needs could be a need for low wage service industry roles, for example. Our public school system should not be charged or even encouraged to prepare or direct youth toward work that will not allow them to sustain themselves and future families. Please consider amending this language to prioritize the wellbeing and successful futures of students to take higher wage and sustainable jobs, and not simply industry staffing needs. The current wording is open to various interpretations on whose needs would primarily be served.

Mahalo for your consideration for ensuring the State does all it can to prepare students for meaningful workforce opportunities so Hawaii youth can afford to live and work in their home.

Suzanne Skjold

DAVID Y. IGE  
GOVERNOR



SARAH ALLEN  
ADMINISTRATOR  
BONNIE KAHAKUI  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII**  
**STATE PROCUREMENT OFFICE**  
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TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE  
TO THE SENATE COMMITTEE  
ON  
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS  
AND  
WAYS AND MEANS

February 25, 2019, 11:30 A.M.

SB365, SD1  
RELATING TO ECONOMIC DEVELOPMENT

Chairs Nishihara and Dela Cruz, Vice-Chairs Wakai and Keith-Agaran, and members of the committees, thank you for the opportunity to submit testimony on SB365, SD1. The State Procurement Office (SPO) supports the intent of the bill but opposes the proposition to exempt an entire program from the procurement process.

The SPO recognizes certain programs do not properly fit inside of procurement and therefore should be exempt. However, SPO recommends that the verbiage be more specific to the internship choices versus the entire program as there is an implication that all the additional work is exempt also. This Bill calls for DBEDT to conduct plans for future use inside internship programs. Are the plans themselves exempt? This Bill calls for the program to be managed. Are all contract needs for this program exempt? This would mean that office supplies, security contracts, logistical contracts and operational needs would all be exempt from the procurement code?

The SPO recommends the verbiage for this exemption is very clear and points only to the internship placement rather than the entire program.

Section 3, Page 11, Line 13-14 should be rewritten to state: Internship Placements under a Qualified Internship Program.

Thank you.