
A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that continued
2 advancement of technology with the growth of automation and
3 artificial intelligence is poised to fundamentally reshape our
4 local and global economy. Some reports predict that automation
5 may eliminate one-third of the nation's jobs by 2030, and that
6 as much as forty-five per cent of current business tasks could
7 potentially be automated. As such, future generations will be
8 required to possess the skills and adaptability to thrive in
9 this new economy. Projections show that approximately sixty-
10 five per cent of students in school will hold jobs that do not
11 exist yet.

12 The legislature further finds that although Hawaii has one
13 of the lowest unemployment rates in the nation, many existing
14 jobs are lower wage jobs in the visitor industry. Moreover,
15 high housing costs and the high cost of living are outpacing



1 wages. In addition, there are not enough job opportunities in
2 the State for high-wage, skilled workers. Consequently, the
3 United States Census Bureau recently found that there are
4 thirty-seven more people per day who are moving out of Hawaii
5 than are moving into the State.

6 Given this looming challenge, the legislature finds that
7 the State must develop a strategic, forward-looking approach
8 toward work-based learning to better prepare students for
9 college and their careers. Accordingly, the department of
10 business, economic development, and tourism should be required
11 to develop annual regional economic plans for each county based
12 on the boundaries of development or community plans in each
13 county. The workforce development council, in partnership with
14 the department of education and the University of Hawaii, can
15 use this data to provide K-16 pathways and internship programs
16 in each public and public charter school to match the State's
17 specific industry needs. These pathways and qualified
18 internship programs will serve as the foundation for developing
19 work-based learning opportunities in public schools that reflect



1 high-growth, high-need industries, which are often concentrated
2 in healthcare, technical roles, business and finance,
3 information technology, and management.

4 Accordingly, the purpose of this Act is to:

- 5 (1) Require the department of business, economic
6 development, and tourism to develop annual regional
7 economic plans for each county based on the boundaries
8 of the development or community plans in each county;
9 and
10 (2) Appropriate funds.

11 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
12 amended by adding a new section to be appropriately designated
13 and to read as follows:

14 "§201- Regional economic plans. (a) The department of
15 business, economic development, and tourism shall develop annual
16 regional economic plans to provide jobs in urban and rural areas
17 in each county based on the development or community boundaries
18 of each respective county.

19 (b) These plans shall be published by January 31 annually
20 commencing July 1, 2020, on the department's website and include



1 a list of regional economic priorities and industry clusters,
2 and jobs within these priorities and industry clusters.

3 (c) Based on the findings of these regional economic
4 plans, the workforce development council shall consult the
5 department of education and the University of Hawaii to develop
6 and provide K-12 pathways and programs in each public school
7 that:

- 8 (1) Emphasize the skills necessary to meet the State's
9 specific industry needs;
10 (2) Relate to employment in jobs identified by the
11 department as priority jobs, concentrated in
12 healthcare, technical roles, business and finance,
13 information technology, and management; and
14 (3) Result in a degree or credential that meets entry-
15 level requirements of employers in relevant priority
16 industries.

17 (d) The priority jobs identified shall be in high-demand,
18 high-growth positions that provide a living wage for an average
19 family of three persons with one working adult.



1 (e) "Qualified internship programs" means programs that
2 prepare students for jobs that are identified by regional
3 economic plans as a priority in the geographical area.

4 (f) Schools shall communicate opportunities to enroll in
5 these pathways or qualified internship programs to students and
6 parents.

7 (g) For budget year 2020-2021 and each budget year
8 thereafter, each participating public school and public charter
9 school may receive up to \$1,000 in bonus incentives for each
10 student who has successfully completed a qualified internship
11 program in the preceding budget year. Bonus incentive funds may
12 be used to pay for costs of administering these programs and any
13 testing fees incurred by students in attaining credentials.

14 (h) The department of education shall maintain records and
15 shall submit a report of its findings and recommendations,
16 including any proposed legislation, to the legislature no later
17 than twenty days prior to the convening of each regular session
18 beginning in 2020. The report shall include:

19 (1) Types of credentials being earned and internships
20 being completed;



- 1 (2) The schools offering these pathways and programs;
- 2 (3) Aggregated demographics of student participants; and
- 3 (4) The completion rate of enrolled students."

4 SECTION 3. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so much
6 thereof as may be necessary for fiscal year 2020-2021 for the
7 department of business, economic development, and tourism to
8 develop regional economic plans pursuant to section 2 of this
9 Act. The appropriation shall be divided between \$300,000 for
10 administrative costs and \$200,000 for school incentive bonuses
11 pursuant to section 2 of this Act.

12 The sums appropriated shall be expended by the department
13 of business, economic development, and tourism for the purposes
14 of this Act.

15 SECTION 4. The department of business, economic
16 development, and tourism shall submit a report of its findings,
17 recommendations, and status on developing regional economic
18 plans pursuant to section 2 of this Act, including any proposed
19 legislation, to the legislature no later than twenty days prior
20 to the convening of the regular session of 2021.



1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect on July 1, 2112;
4 provided that sections 2, 3, 4, 5 and 6 of this Act shall take
5 effect on July 1, 2020.



Report Title:

DBEDT; Qualified Internship Program; Education; Appropriation

Description:

Requires DBEDT to develop annual regional economic plans for each county to provide K-16 pathways and qualified internship programs to meet each region's specific industry needs. Appropriates funds. (HB406 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

