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# 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 specific  
 17 industry needs of the State. 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 after July 1, 2020, on the department's website and



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

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

9 (1) Emphasize the skills necessary to meet the specific  
10 industry needs of the State;

11 (2) Relate to employment in jobs identified by the  
12 department as priority jobs, concentrated in  
13 healthcare, technical roles, business and finance,  
14 information technology, and management; and

15 (3) Result in a degree or credential that meets entry-  
16 level requirements of employers in relevant priority  
17 industries.

18 (d) The priority jobs identified shall be in high-growth  
19 positions that provide a living wage for an average family of  
20 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 \$                    for  
10 administrative costs and \$                    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. New statutory material is underscored.

2 SECTION 6. This Act shall take effect on July 1, 2050;  
3 provided that sections 2, 3, and 4 of this Act shall take effect  
4 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 HD2)

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

