
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.

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 high as fifty per cent of current business tasks could
7 potentially be automated. As such, rising 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
16 wages. In addition, there are not enough job opportunities in



1 the State for high-wage, skilled workers. Consequently, the
2 United States Census Bureau found that twenty-three more people
3 per day moved out of Hawaii than moved into the State from July
4 2017 to July 2018.

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



1 technical roles, business and finance, information technology,
2 and management.

3 Furthermore, the legislature finds that schools and
4 industry partners should be empowered to offer qualified student
5 internship programs. Therefore, qualified internship programs
6 should be exempted from the procurement process.

7 Accordingly, the purpose of this Act is to:

- 8 (1) Require the department of business, economic
9 development, and tourism to develop annual regional
10 economic plans for each county to identify regional
11 economic priorities and industry clusters and jobs
12 within those priorities and clusters;
- 13 (2) Require the workforce development council to develop,
14 based on the findings of the regional economic plans,
15 K-16 pathways and programs in each public school,
16 including each public charter school, that prepare
17 students to fill the priority jobs identified in the
18 regional economic plans; and
- 19 (3) Require participating schools to communicate
20 opportunities to receive industry certifications and
21 enroll in K-16 pathways and qualified internship



1 programs to prepare students for jobs identified by
2 regional economic plans as priorities in each
3 geographical area.

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

7 "§201- Regional economic plans. (a) The department of
8 business, economic development, and tourism shall develop annual
9 regional economic plans to provide jobs in urban and rural areas
10 in each county based on the development or community boundaries
11 of each respective county.

12 (b) These plans shall be published by January 31 annually
13 on the department's website and include a list of regional
14 economic priorities and industry clusters, and jobs within these
15 priorities and industry clusters.

16 (c) Based on the findings of these regional economic
17 plans, the workforce development council shall consult the
18 department of education and the University of Hawaii to develop
19 and provide K-16 pathways and programs in each public school,
20 including each public charter school, that:



- 1 (1) Emphasize the skills necessary to meet the State's
2 specific industry needs;
- 3 (2) Relate to employment in jobs identified by the
4 department as priority jobs, concentrated in health
5 care, technical roles, business and finance,
6 information technology, and management; and
- 7 (3) Result in a degree or credential that meets entry-
8 level requirements of employers in relevant priority
9 industries.
- 10 (d) For fiscal year 2019-2020 and each fiscal year
11 thereafter, each participating public school, including each
12 public charter school, may receive up to \$1,000 in bonus
13 incentives for each student who has successfully completed a
14 qualified internship program or received an industry
15 certification in the preceding fiscal year. Bonus incentive
16 funds may be used to pay for costs of administering these
17 programs and any testing fees incurred by students in attaining
18 credentials.
- 19 (e) Participating schools shall communicate opportunities
20 to receive industry certifications and enroll in pathways or



1 qualified internship programs developed pursuant to this section
2 to students and parents.

3 (f) Internship placements within a qualified internship
4 program shall be exempt from the Hawaii public procurement code,
5 chapter 103D, if the department of business, economic
6 development, and tourism, in partnership with the department of
7 education and the University of Hawaii, determines that the
8 qualified internship program:

- 9 (1) Is aligned with a post-secondary education or
10 employment opportunity;
- 11 (2) Values students' work equivalent to the applicable
12 minimum wage;
- 13 (3) Employs a sufficient number of internship case
14 managers to monitor student participation in the
15 internship;
- 16 (4) Provides students with pre-internship training or
17 coursework that is designed to prepare the students
18 for the internship; and
- 19 (5) Implements adequate safety and supervisory safeguards
20 for the students participating in the internship.



1 (g) The department of education shall maintain records and
2 shall submit a report of its findings and recommendations,
3 including any proposed legislation, to the legislature no later
4 than twenty days prior to the convening of the regular session
5 of 2020, and every regular session thereafter. The report shall
6 include:

7 (1) Types of credentials, including industry
8 certifications, being earned and internships being
9 completed;

10 (2) The schools offering these pathways and programs;

11 (3) Aggregated demographics of student participants; and

12 (4) The completion rate of enrolled students.

13 (h) For purposes of this section:

14 "Priority jobs" means high-demand, high-growth positions
15 that provide a living wage for an average family of three
16 persons that includes one working adult.

17 "Qualified internship programs" means programs that prepare
18 students for jobs that are identified by regional economic plans
19 as a priority in the geographical area."

20 SECTION 3. Section 103D-102, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



1 "(b) Notwithstanding subsection (a), this chapter shall
2 not apply to contracts by governmental bodies:

3 (1) Solicited or entered into before July 1, 1994, unless
4 the parties agree to its application to a contract
5 solicited or entered into prior to July 1, 1994;

6 (2) To disburse funds, irrespective of their source:

7 (A) For grants as defined in section 42F-101, made by
8 the State in accordance with standards provided
9 by law as required by article VII, section 4, of
10 the state constitution; or by the counties
11 pursuant to their respective charters or
12 ordinances;

13 (B) To make payments to or on behalf of public
14 officers and employees for salaries, fringe
15 benefits, professional fees, or reimbursements;

16 (C) To satisfy obligations that the State is required
17 to pay by law, including paying fees, permanent
18 settlements, subsidies, or other claims, making
19 refunds, and returning funds held by the State as
20 trustee, custodian, or bailee;



- 1 (D) For entitlement programs, including public
2 assistance, unemployment, and workers'
3 compensation programs, established by state or
4 federal law;
- 5 (E) For dues and fees of organizations of which the
6 State or its officers and employees are members,
7 including the National Association of Governors,
8 the National Association of State and County
9 Governments, and the Multi-State Tax Commission;
- 10 (F) For deposit, investment, or safekeeping,
11 including expenses related to their deposit,
12 investment, or safekeeping;
- 13 (G) To governmental bodies of the State;
- 14 (H) As loans, under loan programs administered by a
15 governmental body; and
- 16 (I) For contracts awarded in accordance with chapter
17 103F;
- 18 (3) To procure goods, services, or construction from a
19 governmental body other than the University of Hawaii
20 bookstores, from the federal government, or from
21 another state or its political subdivision;



- 1 (4) To procure the following goods or services which are
2 available from multiple sources but for which
3 procurement by competitive means is either not
4 practicable or not advantageous to the State:
- 5 (A) Services of expert witnesses for potential and
6 actual litigation of legal matters involving the
7 State, its agencies, and its officers and
8 employees, including administrative quasi-
9 judicial proceedings;
- 10 (B) Works of art for museum or public display;
- 11 (C) Research and reference materials including books,
12 maps, periodicals, and pamphlets, which are
13 published in print, video, audio, magnetic, or
14 electronic form;
- 15 (D) Meats and foodstuffs for the Kalaupapa
16 settlement;
- 17 (E) Opponents for athletic contests;
- 18 (F) Utility services whose rates or prices are fixed
19 by regulatory processes or agencies;
- 20 (G) Performances, including entertainment, speeches,
21 and cultural and artistic presentations;



- 1 (H) Goods and services for commercial resale by the
2 State;
- 3 (I) Services of printers, rating agencies, support
4 facilities, fiscal and paying agents, and
5 registrars for the issuance and sale of the
6 State's or counties' bonds;
- 7 (J) Services of attorneys employed or retained to
8 advise, represent, or provide any other legal
9 service to the State or any of its agencies, on
10 matters arising under laws of another state or
11 foreign country, or in an action brought in
12 another state, federal, or foreign jurisdiction,
13 when substantially all legal services are
14 expected to be performed outside this State;
- 15 (K) Financing agreements under chapter 37D; [~~and~~]
- 16 (L) Any other goods or services which the policy
17 board determines by rules or the chief
18 procurement officer determines in writing is
19 available from multiple sources but for which
20 procurement by competitive means is either not
21 practicable or not advantageous to the State; and



1 (M) Internship placements under qualified internship
2 programs, as defined in section 201- ; and

3 (5) Which are specific procurements expressly exempt from
4 any or all of the requirements of this chapter by:

5 (A) References in state or federal law to provisions
6 of this chapter or a section of this chapter, or
7 references to a particular requirement of this
8 chapter; and

9 (B) Trade agreements, including the Uruguay Round
10 General Agreement on Tariffs and Trade (GATT)
11 which require certain non-construction and non-
12 software development procurements by the
13 comptroller to be conducted in accordance with
14 its terms."

15 SECTION 4. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$500,000 or so much
17 thereof as may be necessary for fiscal year 2019-2020 and the
18 same sum or so much thereof as may be necessary for fiscal year
19 2020-2021 for the department of business, economic development,
20 and tourism to develop regional economic plans pursuant to
21 section 2 of this Act. The annual appropriation shall be



Report Title:

DBEDT; Regional Economic Plans; Priority Jobs; Qualified Internship Programs; Industry Certifications; Education; Appropriation

Description:

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 and 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, receive industry certifications, and place students in qualified internship programs to prepare students for jobs identified by regional economic plans as priorities in each geographical area. (Proposed SD2)

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

