



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

February 28, 2025

To: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Sharon Y. Moriwaki, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Friday, February 28, 2025
Time: 10:35 a.m.
Place: Conference Room 211, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 1503 SD1 RELATING TO WORFORCE DEVELOPMENT

I. OVERVIEW OF PROPOSED LEGISLATION

The DLIR supports the intent of this measure, provided it does not conflict with the priorities outlined in the Governor's Executive Budget request and offers the following comments. Currently, there is uncertainty regarding whether the federal administration's efforts to reduce the budget and size of the federal government will lead to a reduction in defense-related funding in Hawaii, outside of the Department of Defense (DoD) budget.

SB1503 SD1 requires the DLIR to develop and implement training programs, public-private partnerships, funding opportunities, and recruitment strategies to develop a local workforce to meet the growing demand in defense-related personnel and promote economic diversification.

II. CURRENT LAW

Act 251, SLH 1969, established Chapter 394 and was enacted to support the training needs of the State's economy by "increasing trained local labor." Act 251 envisioned the DLIR assisting Hawaii's workforce to obtain suitable employment by supporting training needs and thereby supporting Hawaii's economy.

The federal Workforce Innovation and Opportunity Act (WIOA) includes a major focus on providing work experience or internships for youth in a planned, structured, time-limited learning experience that takes place in a workplace within the private or public sector (20 CFR § 680.180).

20 CFR Part 680 Subpart F—Work-Based Training outlines the requirements of On-the-Job training (OJT), which includes a contractual arrangement for the provision of occupational training between a sponsor and an employer wherein the sponsor provides reimbursement “for the extraordinary costs of providing the training and supervision related to the training.”

III. COMMENTS ON THE SENATE BILL

While the DLIR supports the intent of this measure, the department notes that, although increases for defense-related personnel and other aspects of the DoD budget have been consistent, there is uncertainty regarding whether the current federal administration's efforts to reduce the budget and size of the federal government will lead to a reduction in defense-related funding in Hawaii.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS

Friday, February 28, 2025
10:35 AM
State Capitol, Conference Room 211



In consideration of
SB 1503 SD1
RELATING TO WORKFORCE DEVELOPMENT.

Chair Dela Cruz, Vice Chair Moriwaki and members of the Committee:

The Department of Business, Economic Development and Tourism (DBEDT) supports SB1503 SD1 relating to workforce development.

Defense spending represents the second largest sector of Hawaii's economy behind tourism. As the Department of Defense continues to focus on the Indo Pacific and the national security threats posed by near-peer competitors within the region, we expect DoD spending in Hawaii to increase.

Careers that support the workforce needs of the federal government and the local defense industrial base offer greater diversification of Hawaii's economy. Focusing on training programs, building collaborative public-private partnerships, providing funding opportunities, and engaging in proactive recruitment will help both our military partners and local people ensure Hawaii's continued economic growth and diversity.

Thank you for the opportunity to testify.

**Testimony to the Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair**

**Friday, February 28, 2025, at 10:35AM
Conference Room 211 & Videoconference**

RE: SB1503 SD1 Relating to Workforce Development

Aloha e Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 1503 Senate Draft 1 (SB1503 SD1), which requires the Department of Labor and Industrial Relations to develop and implement training programs, public-private partnerships, funding opportunities, and recruitment strategies to develop a local workforce to meet the growing demand in defense-related personnel and promote economic diversification. Requires reports to the Legislature.

SB1503 SD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Military & Defense. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii's strategic location presents strong opportunities for job growth in defense-related industries. In fiscal year 2022, the state received nearly \$9 million in federal defense spending, with defense jobs increasing by 10,000 since 2018. To meet growing workforce needs and support economic diversification, this bill directs the Department of Labor and Industrial Relations to implement training, recruitment, and job placement initiatives. The bill establishes workforce programs through public-private partnerships, funding support, and targeted recruitment. Training will be developed with educational institutions and industry leaders, while partnerships with private-sector entities will expand internships and apprenticeships. Funding will support curriculum development, scholarships, and tuition assistance, while recruitment efforts will engage underrepresented communities. The Chamber supports this bill as a critical investment in economic resilience, industry leadership, and high-quality job opportunities for Hawaii residents.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 1503 Senate Draft 1. Thank you for the opportunity to testify.



**TESTIMONY IN SUPPORT OF SB 1503 SD1
Relating to Workforce Development**

Committee on Ways and Means
Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair

Friday, February 28, 2025 at 10:35 AM
Conference Room 211 & Videoconference
415 South Beretania Street

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Hawaii Military Affairs Council ("MAC") supports SB 1503 SD1 which develops and implements training programs, public-private partnerships, funding opportunities, and recruitment strategies to develop a local workforce to meet the growing demand in defense-related personnel and promote economic diversification.

The MAC was established in 1985 when the Chamber was appointed by the State to serve as the liaison to the military. The MAC advocates on behalf of Hawaii's military, and is comprised of business leaders, academic institutions, State and County officials, members of the CODEL, community leaders, labor unions and organizations and retired U.S. flag and general officers. The MAC works to support Hawaii's location as a strategic U.S. headquarters in the Indo-Asia-Pacific region which is crucial for U.S. national and homeland security.

The defense industry is a critical economic driver for Hawaii, ranking as the second largest industry segment after tourism. Developing a local workforce to meet the growing demand in defense-related personnel is crucial for Hawaii's economic diversification and long-term prosperity.

By implementing comprehensive training programs, fostering public-private partnerships, creating funding opportunities, and executing targeted recruitment strategies, the state can capitalize on its strategic geographic location and strengthen its position as a hub for defense-related industries. This initiative not only addresses the immediate needs of the defense sector but also promotes sustainable economic growth by investing in the skills and capabilities of Hawaii's workforce, ensuring a robust and diversified economy for the future.

Thank you for the opportunity to offer testimony in support.



Hawai'i Island Chamber of Commerce

1321 Kino'ole Street - Hilo, Hawai'i 96720

Phone (808) 935-7178 - Fax (808) 961-4435 - Email exec@hicc.biz - www.hicc.biz

Executive Officer

Carla Kuo

2024-2025

Board of Directors

President

Keith Marrack

President-Elect

David Kurohara

Vice President

Dennis Lin

Treasurer

Joshua Vierra

Immediate Past

President

Randall Kurohara

Directors

Kehau Amorin

Mary Begier

Vanessa Carlson

Rebecca Choi

Jeremy Chong

Chelsey Chow

Mark Chun

Kapaelani Comstock

Dean Fuke

Larisa Hamamoto

Bonnie Irwin

Daniel Kea

Tyson Klask

Geoli Ng

Lisa Shiroma

James Staub

Jase Takeya

Nimr Tamimi

Irene Yamanaka

Tracie Yoshimoto

TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
SB1503 SD1 - Relating to Workforce Development – IN SUPPORT
Friday, February 28, 2025 10:35 AM

LATE

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

On behalf of the Hawai'i Island Chamber of Commerce, which represents over 300 businesses and individual members primarily on the East side of Hawai'i Island, I submit this testimony in strong support of initiatives that foster economic growth, expand workforce opportunities, and enhance the quality of life for Hawai'i's residents.

Hawai'i's strategic location presents significant opportunities for job growth in defense-related industries. In fiscal year 2022, the state received nearly \$9 million in federal defense spending, contributing to an increase of 10,000 defense-related jobs since 2018. To meet the rising demand for skilled workers and support economic diversification, this bill directs the Department of Labor and Industrial Relations to implement training, recruitment, and job placement initiatives.

Senate Bill 1503 Senate Draft 1 establishes workforce programs through public-private partnerships, funding support, and targeted recruitment efforts. Training programs will be developed in collaboration with educational institutions and industry leaders, while partnerships with private-sector entities will expand internship and apprenticeship opportunities. Additionally, funding will be allocated to curriculum development, scholarships, and tuition assistance, with recruitment efforts focused on engaging underrepresented communities.

We respectfully urge the passage of Senate Bill 1503 Senate Draft 1. Thank you for the opportunity to testify.

Sincerely,

Carla Kuo

Executive Officer

Hawai'i Island Chamber of Commerce

SB-1503-SD-1

Submitted on: 2/26/2025 12:49:35 PM

Testimony for WAM on 2/28/2025 10:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Elliot Miles	Individual	Support	Written Testimony Only

Comments:

Wasn't this already done? I saw the commercial just this morning.

At any rate, it's a good idea. The bill mentions "defense" and perhaps this means you are looking for veterans. If so, and as a veteran, I can tell you, it is very difficult translating real skills acquired from my time in the military to a state government job. I'm not talking about soft skills or critical thinking skills, but you civilians can't or do not want to see how ex-military types can be value-added to your organization. So, something needs to be done to develop new employees who come from the military to aculturate to a non-combat environment.

SB-1503-SD-1

Submitted on: 2/27/2025 9:46:19 AM

Testimony for WAM on 2/28/2025 10:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Victor K. Ramos	Individual	Oppose	Written Testimony Only

Comments:

This proposal doesn't even provide a monetary amount of taxpayers funds. This causes me to be suspicious of this bill.

LATE

SB-1503-SD-1

Submitted on: 2/27/2025 12:01:28 PM

Testimony for WAM on 2/28/2025 10:35:00 AM

Submitted By	Organization	Testifier Position	Testify
Monty Pereira	Individual	Support	Written Testimony Only

Comments:

Testimony to the Senate Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair

Senator Sharon Y. Moriwaki, Vice Chair

Friday, February 28, 2025, at 10:35AM

Conference Room 211 & Videoconference

RE: SB1503 SD1 Relating to Workforce Development

Aloha e Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Monty Pereira, GM of Watanabe Floral, Inc. I am in support of Senate Bill 1503 Senate Draft 1 (SB1503 SD1), which requires the Department of Labor and Industrial Relations to develop and implement training programs, public-private partnerships, funding opportunities, and recruitment strategies to develop a local workforce to meet the growing demand in defense-related personnel and promote economic diversification. Requires reports to the Legislature.

This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii's strategic location presents strong opportunities for job growth in defense-related industries. In fiscal year 2022, the state received nearly \$9 million in federal defense spending, with defense jobs increasing by 10,000 since 2018. To meet growing workforce needs and support economic diversification, this bill directs the Department of Labor and Industrial Relations to implement training, recruitment, and job placement initiatives. The bill establishes workforce programs through public-private partnerships, funding support, and targeted

recruitment. Training will be developed with educational institutions and industry leaders, while partnerships with private-sector entities will expand internships and apprenticeships. Funding will support curriculum development, scholarships, and tuition assistance, while recruitment efforts will engage underrepresented communities.

We respectfully ask to pass Senate Bill 1503 Senate Draft 1. Thank you for the opportunity to testify.