



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

Committee on Labor and Technology
Senator Henry J.C. Aquino, Chair
Senator Chris Lee, Vice Chair

Monday, February 3, 2025 at 3:30 PM
Conference Room 224 & Videoconference
415 South Beretania Street

Aloha Chair Aquino, Vice Chair Lee, and Members of the Committee:

The Hawaii Military Affairs Council ("MAC") supports SB 1503 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.

SB-1503

Submitted on: 1/31/2025 7:30:36 PM

Testimony for LBT on 2/3/2025 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Defense remains one of the most crucial portions of the Hawaii economy. And with increasing, Indo-Pacific centered, strategic challenges on the horizon, we only stand to benefit both national security and local prosperity by having a well developed defense workforce.

I strongly urge this Committee to SUPPORT this bill!

Testimony to the Senate Committee on Labor and Technology
Senator Henry J.C. Aquino, Chair
Senator Chris Lee, Vice Chair

Monday, February 3, 2025, at 3:30 PM
Conference Room 224 & Videoconference

LATE

RE: SB1503 RELATING TO WORKFORCE DEVELOPMENT

Aloha e Chair Aquino, Vice Chair Lee, 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 (SB1503), 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.

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

Hawaii must invest in workforce development to prepare residents for higher-paying defense jobs. With \$9 million in defense spending in 2022 and 10,000 new jobs starting from 2018, demand is growing for skilled professionals in cybersecurity, data science, and advanced manufacturing. This Act establishes training programs, public-private partnerships, funding initiatives, and recruitment efforts to build a strong workforce.

The bill directs the Department of Labor and Industrial Relations to collaborate with schools and industry partners on specialized training and upskilling. Private sector partnerships will create internships and apprenticeships, while grants and tuition assistance will support education in high-demand fields. Program success will be tracked, with \$1 million allocated annually for 2025-2027. Taking effect on July 1, 2025, the Chamber supports this initiative to strengthen the workforce, attract investment, and keep Hawaii competitive in defense industries.

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. Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

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

February 3, 2025

To: The Honorable Henry J. C. Aquino, Chair,
The Honorable Chris Lee, Vice Chair, and
Members of the Senate Committee on Labor and Technology

Date: Monday, February 3, 2025
Time: 3:30 p.m.
Place: Conference Room 224, State Capitol

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

Re: S.B. 1503 RELATING TO WORKFORCE DEVELOPMENT

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports the intent** of this measure provided it does not conflict with the priorities identified in the Governor's Executive Budget request and offers comments. SB1503 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 would like to express concern and note that while the growth in demand for defense-related personnel has been consistent there is uncertainty whether the current Federal administration will continue to provide the current level of funding for military operations in Hawai'i.