



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/27/2025

Time: 02:00 PM

Location: 308 VIA VIDEOCONFERENCE

Committee: House Finance

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Bill Title: SB 1585, SD1, HD1 RELATING TO WORKFORCE DEVELOPMENT.

Purpose of Bill: Establishes and implements evidence-based performance metrics for the P-20 Partnerships for Education to allow better evidence-based assessments of the P-20 Partnerships for Education advisory council's workforce and pathway development programs. Requires reports to the Legislature. Authorizes the expenditure of Perkins V federal funds. Effective 7/1/3000. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) respectfully offers comments on SB 1585, SD1, HD1, which is intended to develop improved evidence-based assessments of the P-20 Partnerships for Education (P-20) advisory council's workforce and pathway development programs. The Department would like to express strong concerns around any actions that might reduce the amount of funding that is provided for the Department's Career and Technical Education (CTE) Pathways.

The Department receives approximately \$2.98 million a year in Perkins federal funds. These funds are distributed by formula to high schools to support CTE programs. Amounts range from approximately \$140,000 for the school with the largest program, and approximately \$7,500 for the school with the smallest program. Reductions to Perkins funding to the schools would impact students and their learning needs.

The Department has implemented 13 CTE Pathways, which include 43 related programs of study that are designed to prepare students for various high-skill, high-wage and high-demand occupations in Hawaii. Department schools have the ability to determine which CTE programs they offer based upon important factors including staffing, funding availability, student interest, facilities, and local job forecasts. P-20 does not have the authority to mandate pathways or programs for schools. The

Department currently works closely with P-20 and industry partners so that CTE programs meet the needs of students and remain aligned with local and state workforce demands. The Department tracks student attainment of high-value industry recognized credentials, as identified in the Promising Credentials in Hawai'i report. These credentials, verifying an individual's qualifications, are issued by authorized third parties and tracked through a dedicated module in the student data system.

The Department is also working collaboratively with P-20, the UH Community College System, the Workforce Development Council, and private sector partners to update Hawaii's CTE State Plan. This updated plan will include measures for accountability to help ensure that CTE programs are aligned with regional and state workforce needs. The Department defers to P-20 regarding any challenges of meeting the reporting requirements of this bill.

The Department will continue to work closely with P-20 and industry partners to align CTE programming to meet the ever changing workforce needs.

Thank you for the opportunity to provide testimony on this measure.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

S.B. NO. 1585, S.D. 1, H.D. 1, RELATING TO WORKFORCE DEVELOPMENT.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Thursday, March 27, 2025 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Candace J. Park, Deputy Attorney General

Chair Yamashita and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill adds a new part to chapter 304A, Hawaii Revised Statutes, designated "Hawaii P-20 Partnerships for Education," to establish and implement evidence-based assessments of the Hawaii P-20 Partnerships for Education's workforce and pathway development programs, which the Legislature deems to be a matter of statewide concern. The bill appropriates or authorizes for expenditure funds received by the Hawaii P-20 Partnerships for Education through the federal Strengthening Career and Technical Education for the 21st Century Act (Perkins V), and it authorizes the Hawaii P-20 Partnerships for Education to transfer funds to other state departments or agencies, for the purposes of the bill. Perkins V federal funds that are not transferred for this purpose shall lapse to the general fund at the end of the fiscal year. Page 4, lines 16-18.

Unexpended Perkins V federal funds may not lapse to the general fund but must be returned to the federal government. We recommend deleting lines 14-16 on page 4.

Thank you for the opportunity to provide these comments.



JOSH GREEN, M. D.
GOVERNOR
KE KIA'ĀINA

SYLVIA LUKE
LT. GOVERNOR
KA HOPE KIA'ĀINA

BRENNA H. HASHIMOTO
DIRECTOR
KA LUNA HO'OKELE

BRIAN K. FURUTO
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
KA 'OIHANA HO'OMŌHALA LIMAHANA
235 S. BERETANIA STREET
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Statement of
BRENNA H. HASHIMOTO
Director, Department of Human Resources Development

Before the
HOUSE COMMITTEE ON FINANCE
Thursday, March 27, 2025
2:00 PM
State Capitol, Conference Room 308

In consideration of
SB1585 SD1 HD1, RELATING TO WORKFORCE DEVELOPMENT

Chair Yamashita, Vice Chair Takenouchi, and the members of the committee.

The Department of Human Resources Development (HRD) supports the intent of SB1585 SD1 HD1 and offers the following comments.

SB1585 SD1 HD1 establishes and implements evidence-based performance metrics for the P-20 Partnerships for Education to allow better evidence-based assessments of the P-20 Partnerships for Education advisory council's workforce and pathway development programs. Requires reports to the Legislature. Authorizes the expenditure of federal funds.

HRD is tasked with working with Hawai'i P-20 and other state agencies to develop metrics and standards which will guide Hawai'i P-20's assessments of its workforce and pathway development programs for Hawai'i's students. HRD is committed to supporting this effort to try to make strides in lowering the state's vacancy rate and developing pathways into state jobs.

HRD supports the amendments offered by the Department of the Attorney General in previous testimony on this measure. Specifically, the deletion of lines 16-18 on page 4. Perkins V federal funds may not lapse to the general fund and instead must be returned to the federal government.

Thank you for the opportunity to provide testimony and comments on this measure.



UNIVERSITY OF HAWAI'I SYSTEM

‘ŌNAEHANA KULANUI O HAWAI'I

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Finance
Thursday, March 27, 2025, at 2:00 p.m.

By

Della Teraoka, Interim Vice President for Community Colleges

SB 1585 SD1 HD1 – RELATING TO WORKFORCE DEVELOPMENT

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

The University of Hawai'i Community Colleges (UHCC) appreciates the opportunity to submit comments regarding SB 1585 SD1 HD1, which seeks to establish and implement evidence-based performance metrics to enable more accurate assessments for workforce and pathway development programs.

The UHCC works closely with Hawai'i P-20 Partnerships for Education (Hawai'i P-20) and the Hawai'i Department of Education (HIDOE) to ensure strong, seamless workforce and educational pathways are developed to prepare our keiki for high-demand jobs needed in Hawai'i's future. Recently the UHCC participated in a collaborative effort with HIDOE, Hawai'i P-20, the Workforce Development Council, and representatives from the private sector to update the *Hawai'i Career and Technical Education State Plan* which includes accountability measures for providing access to high-quality, CTE programs for secondary and postsecondary students to equip them with the academic skills and technical skills needed for employment in jobs needed across the state.

Additionally, the UHCC has expanded their Annual Report of Program Data, also known as ARPD, (<https://uhcc.hawaii.edu/varpd/>) to include information about the alignment of programs to specific jobs in Hawai'i (see Figure 1) and the earnings of program leavers and graduates within 1, 2, and 3 years of exiting the program (Figure 2: Workforce Tab).

Figure1: Program Level Workforce Alignment.

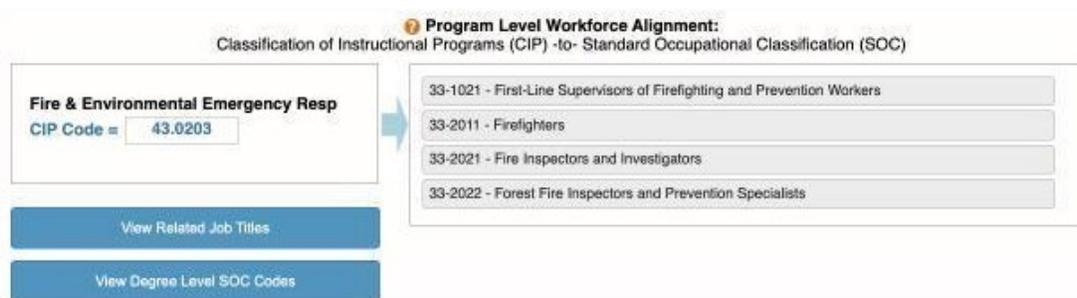


Figure 2: Workforce Tab.

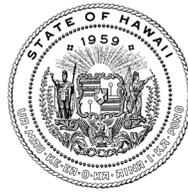


The ARPD is used to evaluate program effectiveness at the college and system level, and the data is integrated for planning and budgeting purposes at each of the community colleges.

Because the allocation of Perkins V federal funds is a critical component for supporting community college program enhancements and innovations to meet the changing needs of the industry, we respectfully comment that there are already processes in place to ensure that evidence-based performance metrics are applied to the programs funded by Perkins V grants, and close cooperation with the State departments identified in SB 1585 SD1 HD1 will continue.

Additionally, after consultation with the Office of General Counsel, the University has strong concerns with the provisions of the bill providing for transfer of Perkins V funds to other state departments or agencies, and the lapsing of funds that are not transferred to the general fund, as these conflict with federal grant requirements [[Closeout Section §200.344 \(e\)](#)] and could jeopardize continued eligibility to receive this federal funding. Especially during this period of uncertainty regarding administration of federal funds, we would respectfully request consideration of the potential jeopardy to this funding for the State.

Thank you for the opportunity to submit comments regarding SB 1585 SD1 HD1.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 1585, S.D. 1, H.D. 1

March 27, 2025
2:00 p.m.
Room 308 and Videoconference

RELATING TO WORKFORCE DEVELOPMENT

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 1585, S.D. 1, H.D. 1 adds a new part and section to Chapter 304A, HRS, to require the Hawai'i P-20 Partnerships for Education (P-20) to:

- 1) establish and implement evidence-based assessments of its workforce and pathway development programs;
- 2) create and maintain records of standardized performance metrics;
- 3) work with various State agencies to develop the metrics and standards used to measure the performance-based outcomes; and
- 4) submit reports to the Legislature to summarize the assessments.

The bill appropriates or authorizes the expenditure of an unspecified amount of funds out of the Perkins V federal funds received by the State of Hawai'i for FY 26 and FY 27 for P-20 to implement the assessments, authorizes P-20 to transfer those funds to other State departments or agencies, and requires that amounts not transferred to another program lapse to the general fund at the end of the fiscal year.

B&F has strong concerns that the lapsing requirement established by subsection (e) of the new section for Chapter 304A, HRS, could result in unintended

consequences for the State since it broadly requires all funds appropriated to P-20 that have not been transferred by the end of the fiscal year to be lapsed to the general fund. Federal funds received by the State need to be utilized in compliance with all applicable federal laws, policies, and grant requirements; otherwise, the State could face penalties and charges in addition to having to reimburse the federal government for the amount misused or for the entire grant award amount.

Furthermore, the funds appropriated or authorized to P-20 in this bill are Perkins V federal funds; these funds are intended to be used to develop, coordinate, implement, or improve career and technical education programs to meet the needs identified in the comprehensive needs assessment, not boost the State's general fund balance. The lapsing of these funds to the general fund would violate the requirements of the grant award and unnecessarily cost the State money and work hours to resolve the issue.

Thank you for your consideration of our comments.



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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

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Statement of
JAMES KUNANE TOKIOKA
Director

Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Thursday, March 27, 2025, 2:00 PM
State Capitol, Conference Room #308

In consideration of
SB 1585 SD1 HD1
RELATING TO WORKFORCE DEVELOPMENT

Chair Yamashita, Vice Chair Takenouchi, and members of the House Committee on Finance. The Department of Business, Economic Development and Tourism (DBEDT) offers comments on SB1585 SD1 HD1, which proposes to establish performance metrics to evaluate workforce and pathway development programs coordinated by Hawai'i P-20 Partnerships for Education.

1. Perkins V Compliance

We raise concern regarding Subsections (d) and (e), which would 1) authorize the transfer of Perkins V federal funds to other state agencies based on performance outcomes; and 2) require unexpended funds to lapse to the general fund.

Agencies including the Attorney General, Department of Education, UH Community Colleges, P-20, and Budget and Finance have noted that: 1) Perkins V funds cannot be transferred to entities not approved under federal regulations; and 2) unspent Perkins funds must be returned to the federal government, not the general fund.

We respectfully recommend amending or removing these provisions to ensure compliance with federal law and protect access to critical career and technical education funding.

2. DBEDT's Role

DBEDT, through its Research and Economic Analysis Division (READ), contributes to workforce development efforts by providing labor market analysis and sector projections. The bill identifies DBEDT as a contributor of workforce vacancy data. We support this function through our existing tools and partnerships and appreciate that our role remains analytical and advisory.

3. Data Coordination

We recommend aligning this measure with broader workforce data modernization efforts currently under consideration, including proposals focused on longitudinal data systems. Doing so would: a) Improve performance tracking accuracy—especially for nontraditional employment outcomes; b) Prevent duplicative systems; and c) Strengthen workforce and economic planning across agencies.

DBEDT recognizes the bill's focus on workforce accountability and data-informed planning, and offers comments to address significant risks related to federal funding compliance and inter-agency coordination.

Mahalo for the opportunity to testify.



Testimony Presented Before the
House Committee on Finance
Thursday, March 27, 2025, at 2:00 p.m.
By
Stephen Schatz, Executive Director
Hawai'i P-20 Partnerships for Education

SB 1585 SD 1 HD 1 – RELATING TO WORKFORCE DEVELOPMENT

Chair Yamashita, Vice Chair Takenouchi, and Members of the Committees:

Hawai'i P-20 Partnerships for Education (Hawai'i P-20) appreciates the opportunity to submit comments regarding SB 1585 SD 1 HD 1.

Career and Technical Education (CTE) federal funds are allocated to the Board of Regents (BOR), the designated State Board for Career and Technical Education in Hawai'i, on a formula basis as mandated by the Perkins V legislation. The funds must be administered and spent in accordance with federal statute. The majority of funds (85%) is allocated to the secondary and postsecondary recipients – the Hawai'i Department of Education (HIDOE) and the University of Hawai'i Community Colleges (UHCC), respectively. The remaining funds are designated for other purposes, such as for preparing individuals for nontraditional fields, for recruiting of special populations, and for serving individuals in state corrections facilities.

The proposed bill attempts to utilize CTE federal funds to implement a performance-based funding model for state departments and agencies, with section (d) indicating that “funds may be transferred to other state departments or agencies in accordance with the performance-metrics and outcomes relating to student achievement, degree attainment, and the number or percentage of jobs in career paths that lead to living wage positions.” We do not believe this aligns with the Perkins V legislation and may jeopardize future CTE federal funds. Furthermore, Hawai'i P-20 does not receive any other state-appropriated funds for workforce or pathway programs and would be unable to transfer funds to state agencies unless the Legislature provides a non-federal appropriation.

Hawaii P-20 is also concerned with section (e) of the bill that requires “any amount under subsection (d) that is not transferred to another program shall lapse to the general fund at the end of the fiscal year.” This is contrary to §200.344 (e) of the Code of Federal Regulations that states “the recipient (i.e., BOR) or subrecipient (i.e., UHCC and HIDOE) must promptly refund any unobligated funds that the Federal agency or pass-through entity paid and that are not authorized to be retained.”

We understand and appreciate the intent to enhance accountability and transparency. To this end, we are in the process of updating Hawai'i's CTE State Plan, which is an integration of state and federal priorities and is a requirement of Perkins V. The state plan outlines the priorities, strategies, requirements and accountability measures for providing access to high-quality CTE programs for secondary and postsecondary students to equip them with the academic knowledge and technical skills needed for employment in relevant jobs. Under the new plan, Hawai'i P-20 will utilize, for the first time, the CTE reserve allowance (up to 15% of the local allocation, or 12.75% of the total grant) as an alternate means of distributing CTE federal funds to the eligible recipients (HIDOE and UHCC). The reserve will allow Hawai'i P-20 to award grants to HIDOE and UHCC to "promote the development, implementation, and adoption of programs of study or career pathways aligned with State-identified high-skill, high-wage, or in-demand occupations or industries."

Hawai'i P-20 does not have the authority to create or mandate pathways within HIDOE or UH. Hawai'i P-20's role is to facilitate the alignment of pathways between HIDOE and UHCC and connect them to jobs so that students are able to explore their interests, identify career options, and understand the education requirements for specific careers. While Hawai'i P-20 may pilot certain pathways, such as the current neighbor-island Stay at Home, Grow Your Own Teacher Pathway or the Kealakehe High School Automotive Mechanic Technology program, these are regional programs specified in extramural grant proposals and funded by non-CTE grant funds to help spur action and meet grant objectives.

Related to the data reporting requirements of the bill, while some data indicated in the bill are currently being reported, current data sharing between UH and DLIR only allow for linking and tracking UH graduates in the workforce (through unemployment insurance (UI) data), but not for those that are federally employed, self-employed, or leave the State. Furthermore, students who do not attend college are unable to be linked to UI data; this is due to HIDOE not collecting social security numbers, which is the method through which UH graduates are tracked and linked. In addition, the UI data does not collect occupation data and only collects general employer categories (i.e., healthcare). So, while a graduate may be employed by a healthcare employer, it is impossible to determine if they are in a direct healthcare profession tied to their education pathway, or another profession within healthcare, such as in information technology or business. Reporting required by the bill would be incomplete and unreliable because of these data limitations.

Hawai'i P-20 will continue to engage with our partners, including HIDOE, UHCC, UH System, DBEDT, DLIR, the Department of Human Resources and Development, and industry representatives to ensure pathways are aligned to the workforce needs of Hawai'i.

Thank you for the opportunity to submit comments on SB 1585 SD 1 HD 1.