

ACT 143

S.B. NO. 2826

A Bill for an Act Relating to Education.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that, in the current job market, nearly sixty-five per cent of available positions require post-secondary credentials. Industry-recognized credentials are important because they teach the specific knowledge and skills that are required for an occupation or industry. Full-time employees having industry credentials earn more than their uncredentialed counterparts, and the salaries of credential holders who do not hold college degrees are in some cases similar to the salaries of college graduates.

The legislature also finds that the State has critical shortages of qualified and credentialed workers in various sectors, including health, education, air travel, agriculture, and technology. Given the recent downturn in the State's economy and the rise in unemployment, it is especially important for Hawaii to equip its students for the existing job market. To this end, the Promising Credentials project, a collaborative effort aimed at using Hawaii labor market data and local employer insights to identify high-value industry credentials in the State, was launched. This information will enable local career readiness programs to better tailor their offerings to Hawaii's job market and to deliver more effective services to both students and employers.

Act 163, Session Laws of Hawaii 2021, which requires, in part, a state-wide longitudinal data system, will better enable the department of education and employers to align offerings and opportunities based on data. The legislature believes that students and employers in Hawaii both benefit when school career readiness programs prepare students based on regional needs.

Accordingly, the purpose of this Act is to create a career development success program to provide financial incentives for participating public high schools and charter schools to encourage pupils enrolled in grades nine through twelve to enroll in and successfully complete qualified industry-credential programs.

SECTION 2. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to subpart C of part II to be appropriately designated and to read as follows:

“§302A- Industry-recognized credentials; career development success program. (a) There is established within the department a career development success program to provide financial incentives for participating high schools to encourage students enrolled in grades nine through twelve in public high schools to enroll in and successfully complete qualified industry-credential programs.

(b) Beginning with the 2022-2023 fiscal year, each participating school may receive up to \$1,000 for each pupil who, in the preceding fiscal year, successfully completes a qualified industry-credential program. The funds shall be distributed to participating schools as provided in subsections (e) and (f).

(c) Each participating school may decide annually whether to participate in the career development success program.

(d) The department shall create a process with a deadline for participating schools to report student credential attainment.

(e) For each fiscal year, the department shall distribute to each participating school an amount equal to \$1,000 multiplied by the number of pupils reported by the participating school as successfully earning an industry certificate by completing a qualified industry-credential program; provided that a participating school shall not receive a distribution for more than ten per cent of the total number of completed industry certificates reported by all participating schools.

(f) For each fiscal year, the department shall distribute funds in the following order until all funds are disbursed:

- (1) Based on the order received by the department, funds shall be distributed first to participating schools for all who attained Advanced Credentials;
- (2) Based on the order received by the department, funds shall be distributed to participating schools for all who attained Door Opener Credentials;
- (3) Based on the order received by the department, funds shall be distributed to participating schools for all who attained Springboard Credentials;
- (4) Based on the order received by the department, funds shall be distributed to participating schools for all who attained Foundational Credentials; and
- (5) Any remaining funds shall be deposited into the general fund.

(g) Each participating school shall regularly communicate to all high school students the availability of qualified industry-credential programs and the benefits a student receives as a result of successfully completing one of the programs or courses. The participating school shall design the communications to students with the goal of increasing participation in the qualified industry-credential programs and courses across all student subgroups.

(h) As used in this section:

“Advanced Credentials” means credentials that signal proficiency in industry-specific skills for priority occupations that may also require a bachelor’s degree, as determined by the department.

“Door Opener Credentials” means credentials that signal proficiency in industry-specific skills for priority occupations that require some post-secondary education, including certificates and associate degrees, as determined by the department.

“Foundational Credentials” means credentials that prepare learners with essential knowledge and skills for a range of priority occupations, including workplace safety, as determined by the department.

“Participating school” means a public high school that chooses to participate in the career development success program established pursuant to this section.

“Qualified industry-credential program” means a program that is recognized by the department as offering students the opportunity to attain a high-value industry credential.

“Springboard Credentials” means credentials that signal proficiency in industry-specific skills for priority occupations that often do not require a post-secondary certificate or degree, as determined by the department.”

SECTION 3. Chapter 302D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§302D- Industry-recognized credentials; career development success program. (a) There is established by the commission a career development success program to provide financial incentives for participating public charter schools to encourage students enrolled in grades nine through twelve in public charter schools to enroll in and successfully complete qualified industry-credential programs.

(b) Beginning with the 2022-2023 fiscal year, each participating school may receive up to \$1,000 for each pupil who, in the preceding fiscal year, successfully completes a qualified industry-credential program. The funds shall be distributed to participating schools as provided in subsections (e) and (f).

(c) Each participating school may decide annually whether to participate in the career development success program.

(d) The commission shall create a process with a deadline for participating schools to report student credential attainment.

(e) For each fiscal year, the commission shall distribute to each participating school an amount equal to \$1,000 multiplied by the number of pupils reported by the participating school as successfully earning an industry certificate by completing a qualified industry-credential program; provided that a participating school shall not receive a distribution for more than ten per cent of the total number of completed industry certificates reported by all participating schools.

(f) For each fiscal year, the commission shall distribute funds in the following order until all funds are disbursed:

- (1) Based on the order received by the commission, funds shall be distributed first to participating schools for all who attained Advanced Credentials;
- (2) Based on the order received by the commission, funds shall be distributed to participating schools for all who attained Door Opener Credentials;
- (3) Based on the order received by the commission, funds shall be distributed to participating schools for all who attained Springboard Credentials;
- (4) Based on the order received by the commission, funds shall be distributed to participating schools for all who attained Foundational Credentials; and
- (5) Any remaining funds shall be deposited into the general fund.

(g) Each participating school shall regularly communicate to all students in grades nine through twelve the availability of qualified industry-credential programs and the benefits a student receives as a result of successfully

completing one of the programs or courses. The participating school shall design the communications to students with the goal of increasing participation in the qualified industry-credential programs and courses across all student subgroups.

(h) As used in this section:

“Advanced Credentials” means credentials that signal proficiency in industry-specific skills for priority occupations that may also require a bachelor’s degree, as determined by the department.

“Door Opener Credentials” means credentials that signal proficiency in industry-specific skills for priority occupations that require some post-secondary education, including certificates and associate degrees, as determined by the department.

“Foundational Credentials” means credentials that prepare learners with essential knowledge and skills for a range of priority occupations, including workplace safety, as determined by the department.

“Participating school” means a public charter school that chooses to participate in the career development success program established pursuant to this section.

“Qualified industry-credential program” means a program that is recognized by the department as offering students the opportunity to attain a high-value industry credential.

“Springboard Credentials” means credentials that signal proficiency in industry-specific skills for priority occupations that often do not require a post-secondary certificate or degree, as determined by the department.”

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,470,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the career development success program established pursuant to section 2 of this Act.

The sum appropriated shall be expended by the department of education for the purposes of this Act.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$130,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the career development success program established pursuant to section 3 of this Act.

The sum appropriated shall be expended by the state public charter school commission for the purposes of this Act.

SECTION 6. New statutory material is underscored.¹

SECTION 7. This Act shall take effect on July 1, 2022.

(Approved June 27, 2022.)

Note

1. Edited pursuant to HRS §23G-16.5.