The purpose of the ETF program is to “assist employers and workers through innovative programs, including, but not limited to, business-specific training, upgrade training, new occupational skills, management skills, and support services to improve the long-term employability of Hawaii’s people.”

ETF serves the training needs of the business community by simultaneously addressing economic and workforce development, which are critical to the continued viability and growth of the State. Unlike federal job training programs that serve only individuals who face employment barriers, ETF is able to provide businesses the opportunity to upgrade the skills of the workforce from entry-level to top management and allows workers to acquire the job skills necessary to keep pace with local, national, and international competitors.

There are two ways in which employers and employer groups can access ETF funds: 1) Statewide and Countywide Training Grants through ETF’s Macro Program and 2) Existing short-term, non-credit training through ETF’s Employer Referral Program also known as the Micro Program.

The Macro Program provides grants to business associations and consortia to develop customized training projects where there are critical skill shortages. These grants provide “seed money” for innovative education and training curricula and program design. Each plan must include, but is not limited to, a needs assessment, project guidelines, marketing and delivery plan, and a self-sufficiency component to ensure the continuation of training beyond the grant period. Business and industry consortia are required to provide at least 50% cash and/or in-kind contributions to strengthen their commitment to the project. To date, approximately 18,872 individuals have been trained through the macro program.

In 1996, the department expanded the ETF program to include training opportunities to individual businesses. Unlike the macro program, individual employers need not submit a comprehensive plan to develop new training curricula, program design, and instruction. The Micro Program enables employers to register their workers for existing short-term, non-credit training courses offered by ETF-approved public and private training vendors in order to upgrade employees’ capabilities to meet the competitive demands of the workplace. The program is open to all within a company: owners, managers, supervisors, and workers. The ETF will pay 50% of the cost for any course taken that meets its eligibility criteria. To date, approximately 69,491 individuals have been trained through the micro program.

Other states like Florida and California have legislatively mandated a fifty percent in-kind contribution towards training costs. To balance the responsibilities and partnership between state government and business sectors, Hawaii’s legislators followed similar guidelines which were intended to develop a collaborative approach in workforce preparation and strengthen policies and programs that meet Hawaii’s job market needs.

ETF monies are generated through an employer assessment collected together with unemployment insurance contributions. These special funds are targeted specifically to help keep Hawaii’s workforce competitive and employed at the cutting edge of their chosen profession and occupations.

During the 2002 Legislative Session, lawmakers made the ETF program permanent while lowering the assessment rate from .05 percent to .01 percent of taxable wages (Act 248). They also required employers who access ETF funds for training to contribute fifty percent or more of the cost of assistance.

In 2007, lawmakers lowered the taxable wage base for unemployment insurance collections from $35,300 to $13,000 for calendar years 2008-2010. As a result, ETF revenues are projected to be reduced by 75% to approximately $330,000 in Fiscal Year 2009.
FISCAL YEAR (FY) 2008 RESULTS

The ETF’s net available funds consisted of a carryover balance from FY 2007 of $2,198,214 plus $1,220,916 in net revenues. This amount, minus $2,106,780 in expenditures, left a fund balance of $1,312,350 for FY 2009.

Fifteen (15) authorized ETF training providers deliver a wide variety of training opportunities through the micro program. Given the increasing importance of technology in the workplace, it is not surprising that computer-related courses are the most requested by business. For example, of the 2,858 registrations, 1,582 classes were taken from this particular training category. This represented 55% of all enrollments in the various training course categories funded by ETF. Computer-related courses frequently requested by Hawaii’s employers included: basic, intermediate, and advanced courses in the more popular computer applications, such as word processing, spreadsheets, database, and presentations, computer-aid design (CAD), desktop publishing, local area networking (LAN), programming, and Internet/web page design. Other popular courses requested by employers were business/management (17%), food safety (12%), soft skills training (9%), human services (3%), and agriculture and landscaping (2%). General skills, health, language, maintenance and repair, and transportation comprised the remaining 2% of training categories.

Approximately 1,811 participants accessed ETF training funds. These participants registered for 2,858 classes, averaging 1.58 classes per participant. Of the 2,858 course enrollments funded by ETF, there were a total of 391 enrollments on Kauai; 229 on the Big Island; 201 on Maui; and 2,037 on Oahu.

The ETF served a total of 457 businesses statewide. These included 65 employers on Kauai, 40 on the Big Island, 57 on Maui, and 295 on Oahu.

Demand for training increased by a total of 15% from Program Year 2006-2007. The average cost per individual also increased 4.5% from $180.52 in Program Year 2006-2007 to $188.47 in Program Year 2007-2008.

In January 2008, ETF extended RFP 2007-01 agreements with fifteen (15) training providers to continue to provide services through January 2, 2009.

In April 2008, the Society for Human Resource Management’s (SHRM) completed an ETF macro grant project entitled the “Workplace Excellence Project”. The training consisted of three components referred to as “ACE”: Alignment indicates how an organization is impacted by goal alignment, brand identification and customer alignment; Capabilities identifies talent and resources available to meet customer needs; and, Engagement recognizes what motivates and satisfies employees to become engaged and committed to a company’s mission. Training began with senior executives of participating companies, followed by the development of a group of certified master trainers. The last phase involved training of employees of participating companies. The project trained over 200 management professionals and assisted twenty-two participating companies in identifying “ACE” gap areas and developing an action plan for improvement and implementation.