

NEIL ABERCROMBIE
GOVERNOR



DWIGHT TAKAMINE
DIRECTOR

AUDREY HIDANO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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November 19, 2012

Virginia Hamilton
Regional Administrator
Regional 6 The Pacific Western Region
U.S. Department of Labor
Employment and Training Administration
90 7th Street, Suite 17-300
San Francisco, California 94103-1516

Re: Revised 2012 Integrated Workforce Investment Act and Wagner-Peyser State Plan

Dear Ms. Hamilton:

Enclosed is a revised 2012 Integrated Workforce Investment Act and Wagner-Peyser State Plan that addresses the comment made in your October 26, 2012 letter. An advance copy was emailed to your office on November 9, 2012.

If you have any questions, please call me at (808) 586-8844 or contact Blaine Young, Administrator of Workforce Development Division and Acting Interim Executive Director of the Workforce Development Council, at (808) 586-8812.

Thank you for your support of Hawaii's workforce programs.

Sincerely,

DWIGHT TAKAMINE
Director

Enclosure

bc: C. Kanayama



The State of Hawai'i's 2012 Integrated Workforce Investment Act and Wagner Peyser State Plan

**REVISED NOVEMBER 9, 2012
(ORIGINALLY SUBMITTED SEPTEMBER 15, 2012)**

SECTION I. STATE WORKFORCE STRATEGIC PLAN

Governor Neil Abercrombie's Vision

Requirements: Describe the governor's strategic vision for the state's economy and overarching goals for the state's workforce system.

As defined in the Governor's vision, the New Day Plan has three overarching goals for the State of Hawaii. This section will examine the types of jobs that relate to each of those goals: Growing a Sustainable Economy, Investing in People, and Transforming Government.

Growing a Sustainable Economy

Because of significant investments in capital improvement projects across the entire state, construction jobs received a boost in the areas of energy efficiency, irrigation systems, and education and public facilities repairs. Construction trades that are expected to provide the most job opportunities include: carpenters; construction laborers; electricians; supervisors/managers of construction trades and extraction workers; plumbers, pipefitters, and steamfitters; painters; and operating engineers and other construction equipment operators.

There is a focus on developing renewable energy which will also lead to job creation in the clean energy sector. A major finding from the Department of Labor and Industrial Relations' green jobs survey was that a large concentration of jobs in the green energy industry were resulting from the push toward solar photovoltaic technology. Some of the clean energy-related occupations that may experience high demand include: electricians; heating and air conditioning mechanics and installers; solar photovoltaic installers; and solar thermal installers and technicians.

Food security issues will lead to jobs related to coordination of food production, marketing and demand through the public schools, prisons and healthcare facilities to support farmers and ranchers. The job opportunities for farmworkers and laborers in the fields of crops, nursery, and greenhouse will be plentiful.

Tourism is the main economic driver in Hawaii and investment in culture, arts and creative industries is important to the continued vitality of the visitor industry. Jobs in support of television and movie production, digital media, music and fashion are also related to this tourism category.

Investing in People

Education is always a high priority and improvement in the K-12 public school system is being realized through a grant called "Race to the Top" which advances reform in the areas of preparing students for college and the workplace, better measures of success to improve instruction, developing and retaining more effective teachers, and helping the lowest-achieving schools. Job openings for elementary and secondary school teachers are always in high demand especially because of difficulty in recruiting and retaining qualified teachers during times of state budget constraints. Teacher assistants are also needed to ease the shortage of teachers when class size becomes an issue.

The University of Hawaii system has committed to raising the graduation rates so that the job prospects of students are improved. Opportunities for postsecondary teachers are less in demand than at the primary and secondary level, but there are still projected openings for teachers specializing in education, vocational education, biological science and many others.

More healthcare jobs will result as the state rises to the challenge of transforming and improving the state's healthcare system, which is already a high-demand industry. The most pressing need in this industry is for registered nurses and also nursing aides, orderlies, and attendants. Other healthcare occupations that will be in demand are medical assistants, licensed practical nurses, dental assistants, pharmacy technicians, physical therapists, and home health aides, among many others.

Transforming Government

The Governor's plan to streamline the state's information technology includes reducing redundant systems, reducing costs, fostering innovation, and ensuring security to improve customer service. The computer-related occupation expected to be in highest demand is network systems and data communications analysts. Job opportunities will also be available to a lesser degree in the areas of: computer support; computer software engineering for applications; computer systems analysts; network and computer systems administration; and programming.

Specifically address the governor's vision for aligning efforts among workforce development partners to achieve accessible, seamless, integrated, and comprehensive service, and how programs and activities described in the plan will support the state's economic development needs and the employment and training needs of all working-age youth and adults in the state.

By aligning efforts among workforce development partners through mutual participation in cluster activities, like targeted Industry Skill Panels, the state's workforce system is able to identify and plan ways to address workforce skill gaps and support the state's economic development needs and the employment and training needs of all working-age youth and adults in the state. As workforce development partners collaborate by participating in these cluster activities, improving customer service, and streamlining information technology, services will become integrated to achieve seamless, comprehensive, and accessible services to working-age youth and adults in the state.

Describe the methods used for joint planning and coordination of the programs and activities included in the plan.

A statewide effort for joint planning and coordination of statewide programs and activities, including mandated workforce partners, has resulted in a Statewide Strategic Planning document which operationalizes the New Day Plan into an actionable, measurable 5-year plan. While encouraging agencies to have stronger partnerships, this effort also helps state agencies publicize and manage their key activities, and includes a website that serves as a dashboard-type, self-service, content management system mirroring a simpler version of Maryland's acclaimed "StateStat" website (<http://www.statestat.maryland.gov>). This site contains goals and milestones identified in the plan, as well as measures. Each agency has a separate web page on the site, which they maintain while the entire site is supported by the Office of Information Management and Technology (OIMT).

Additionally, the State Workforce Development Council (WDC), which is also the State Workforce Investment Board, acts as the aligning entity between state and county agencies, as well as private industry and non-profit sectors.

The WDC is comprised of thirty-one (31) members, in which the majority are private sector employers. In addition to these members, the WDC membership includes two representatives from labor, as well as all Local Workforce Investment Board chairs. Additionally, membership includes the following:

- Governor, State of Hawaii
- Director, Department of Labor and Industrial Relations (WIA and Wagner Peyser Administrative Agency and Workforce Information);
- Director, Department of Business, Economic Development, and Tourism;
- Department of Human Services (TANF and Vocational Rehabilitation training);
- Superintendent, State Department of Education; and
- President, University of Hawaii System.
- Labor Chair, Hawaii State Senate
- Education Chair, Hawaii State Senate
- Labor Chair, Hawaii State House of Representatives
- Health Chair, Hawaii State House of Representatives
- Mayor, Maui County
- Mayor, Hawaii County

The WDC serves as the catalyst to bring together workforce development stakeholders to create a more coordinated, focused and cost-effective workforce system by eliminating duplication and aligning efforts.

THE STATE OF HAWAII'S ECONOMIC AND WORKFORCE INFORMATION ANALYSIS

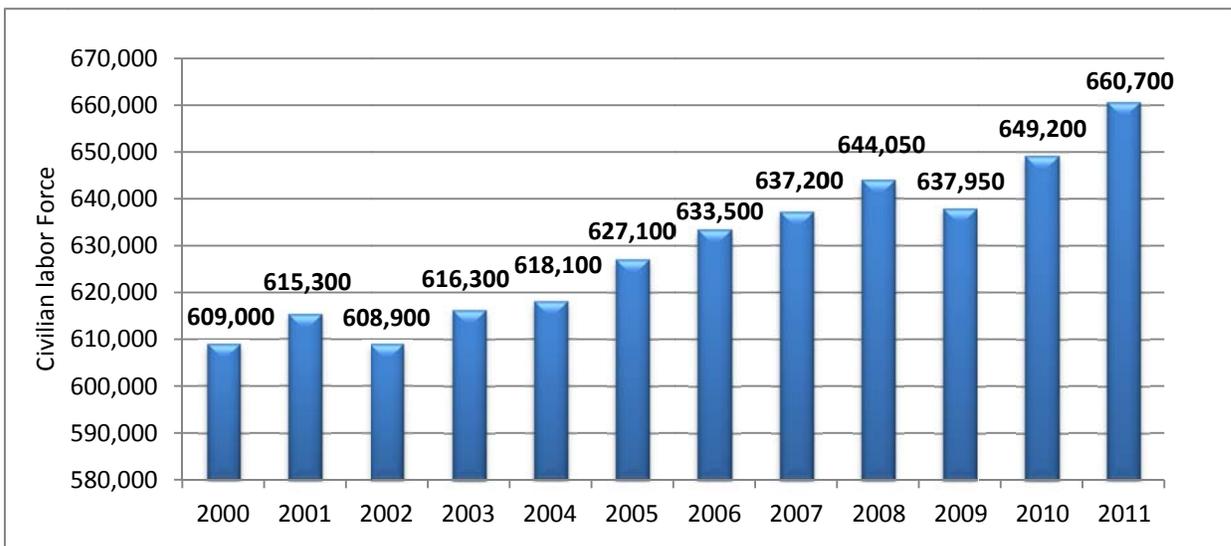
An assessment of the current situation and projected trends of the state's economy, industries and occupations, including major economic regions and industrial and occupational sectors

Civilian Labor Force Expands

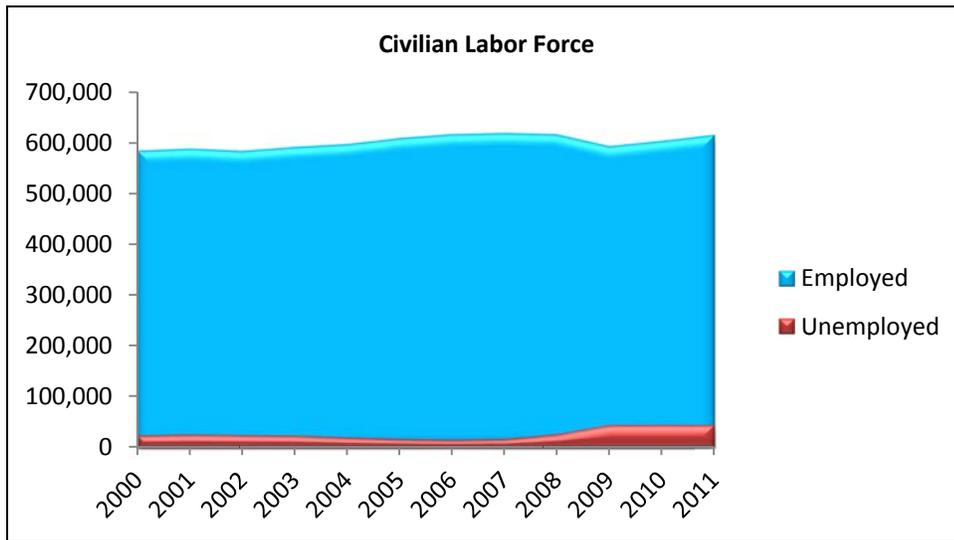
In 2011, Hawaii's civilian labor force averaged 660,700, an expansion of 1.8 percent over 2010. This was the third highest percentage change among the 50 states. Most of the change occurred due to an increase in employed persons combined with a drop in the total number of unemployed.

After reaching a high of 644,050 in 2008, like the rest of the nation during the recession, Hawaii's labor force plunged in 2009 to 637,950, and has gradually climbed back up to 660,700 in 2011.

Hawaii's Civilian Labor Force, 2000 – 2011



Source: Hawaii Department of Labor and Industrial Relations, Research and Statistics Office.



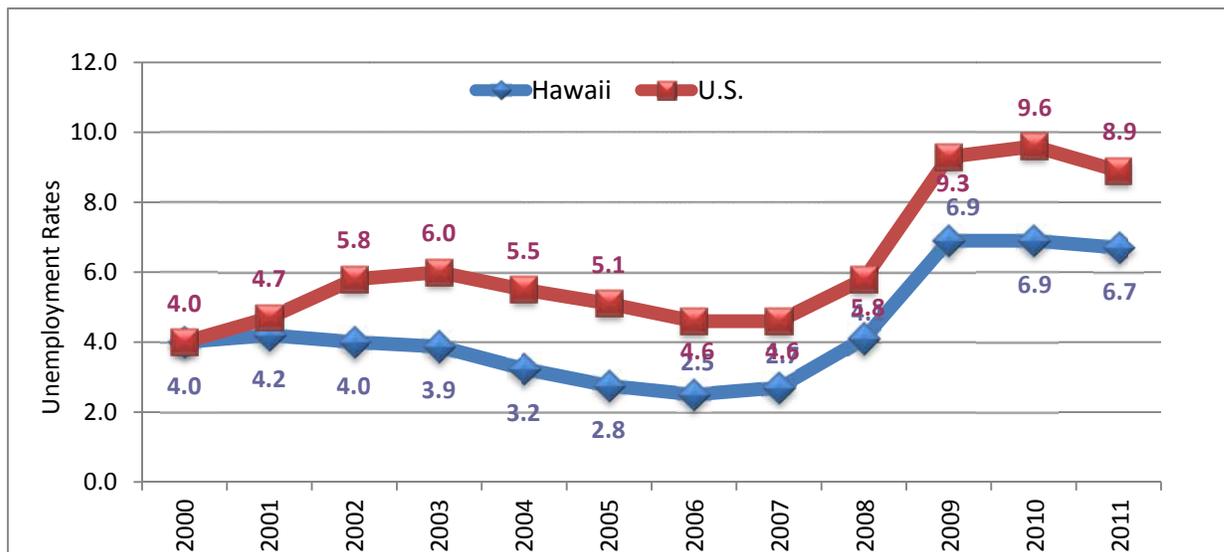
Source: Hawaii Department of Labor and Industrial Relations, Research and Statistics Office.

Slight Improvement in Unemployment Rate

Since the year 2000, Hawaii's unemployment rate has remained consistently lower than the national rate. In 2011, the unemployment rate fell from 6.9 percent in 2010 to 6.7 percent. However, this decline of 0.2 percentage point ranked 44th slowest in the nation. As a result, from 2010 to 2011, Hawaii's ranking among all the states dropped a few places from 10th to 13th in terms of the lowest unemployment ratio.

As of May 11, 2012, the University of Hawaii Economic Research Organization (UHERO) projected the state's unemployment rate to be at 6.1 percent in 2012, 5.4 percent in 2013, and 4.9 percent in 2014.

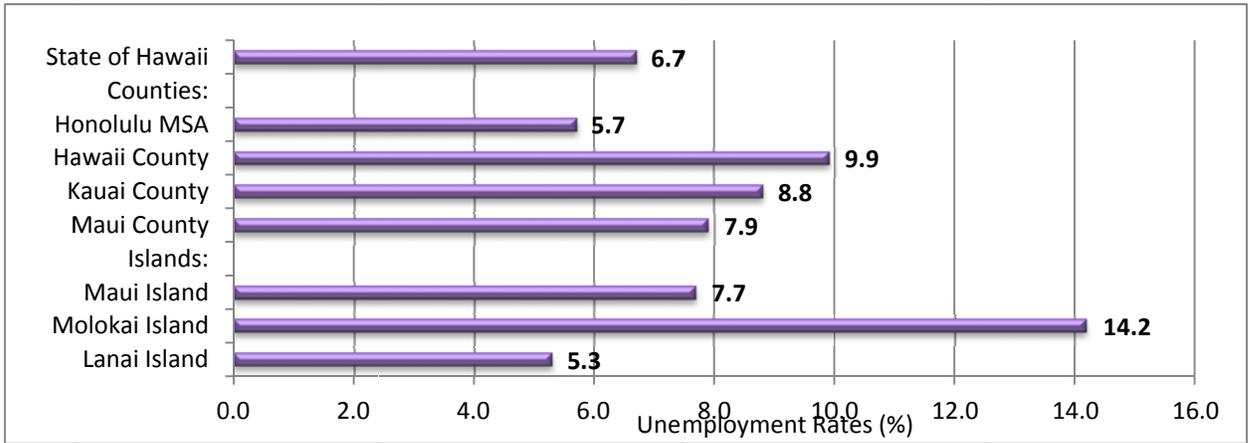
Hawaii's unemployment rate still lower than U.S. (not seasonally adjusted)



Source: Hawaii Department of Labor and Industrial Relations, Research and Statistics Office.

Among the counties, Honolulu MSA had the lowest jobless rate of 5.7 percent in 2011, followed by Maui County at 7.9 percent, Kauai County at 8.8 percent, and Hawaii County at 9.9 percent. While Maui County had the second lowest unemployment statewide, Molokai suffered the highest unemployment rate of all islands at 14.2 percent. The state's labor force participation ratio was 62 percent as of April 2012.

Unemployment rate for Counties in Hawaii (not seasonally adjusted), 2011

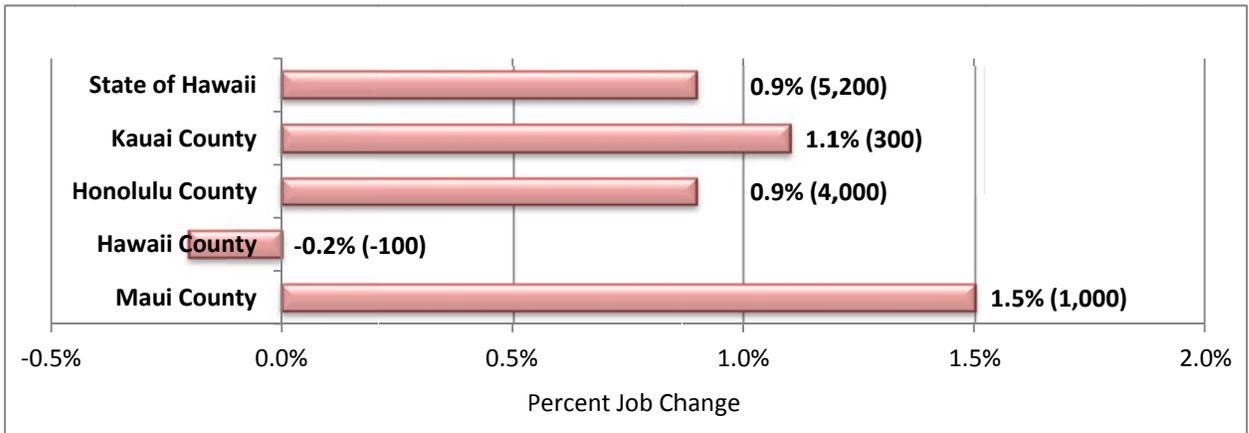


Source: Hawaii Department of Labor and Industrial Relations, Research and Statistics Office.

Job Growth Fastest in Maui County

In 2011, the state's non-farm job market recorded 592,100 jobs, an increase of 5,200 or 0.9 percent over the previous year. Maui County registered the fastest growth at 1.5 percent, Kauai County was next at 1.1 percent, Honolulu County's rate was 0.9 percent, and Hawaii County's rate posted a loss with -0.2 percent.

Percent Job Change for Counties in Hawaii (not seasonally adjusted), 2010-2011

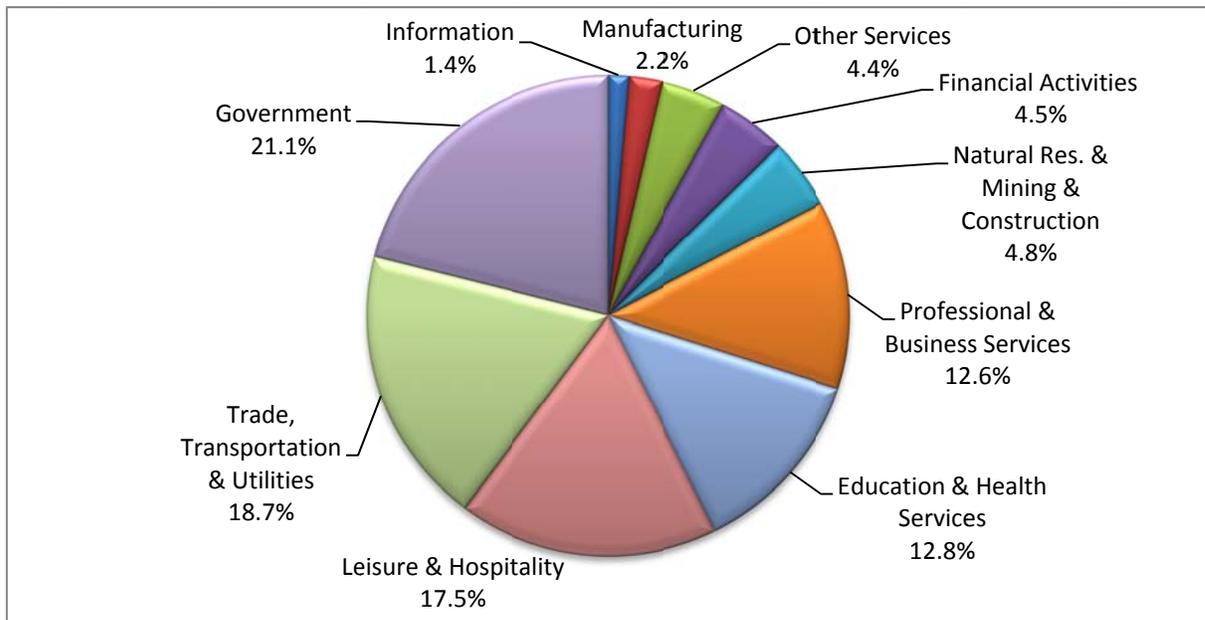


Source: Hawaii Department of Labor and Industrial Relations, Research and Statistics Office.

Over One-Fifth Employed in Government

There are 10 major industries in the state, the largest of which is Government. The public sector consists of 124,700 jobs and accounts for about 21 percent of the total jobs count. Within the government sector, the largest branch is state government, with two-thirds of its jobs in Education. The federal government branch is the second largest and local government is the smallest.

Three largest industries comprise more than half of Hawaii's jobs in 2011

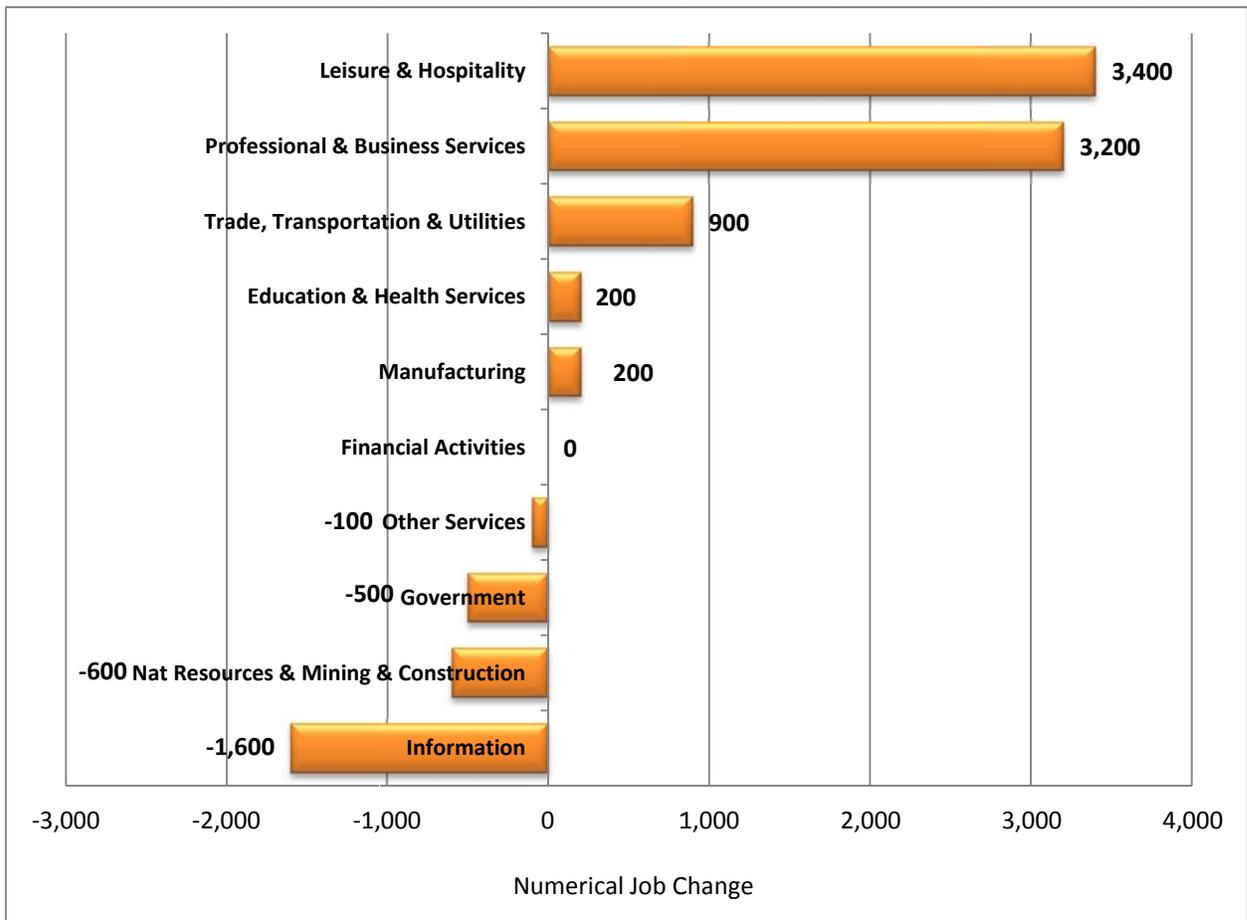


Source: Hawaii Department of Labor and Industrial Relations, Research and Statistics Office.

The second largest industry group is a combination of Trade, Transportation, and Utilities (TTU), amounting to 111,000 jobs or 19 percent of the job total. Three out of five TTU jobs are in retail trade. This sector managed to add 900 jobs between 2010 and 2011.

Not far behind is the Leisure and Hospitality industry with 103,700 jobs or almost 18 percent of the total job tally. A huge portion of this industry is Accommodation and Food Services, which is the hotel and restaurant business. Registering the biggest increase in jobs of 3,400 between 2010 and 2011, tourism continues to remain strong throughout the islands and is a vital part of our state's economy.

Hawaii's over-the-year job change (not seasonally adjusted), 2010-2011



Source: Hawaii Department of Labor and Industrial Relations, Research and Statistics Office.

Education and Health Services sector jobs at 75,500 account for almost 13 percent of the statewide job total. The bulk of them are in Health Care and Social Assistance agencies. Almost neck and neck with this sector was Professional and Business Services with 74,800 for another 13 percent of all jobs. Most of the positions are found in the Administrative, Support, and Waste Management fields and secondarily, in the Professional, Scientific, and Technical arenas. Although fifth in size, the professional sector increased their positions by 3,200, the second largest gains between 2010 and 2011.

The next three industry sectors are of similar size: the Natural Resources and Construction group generated 74,800 jobs or about 5 percent of all state jobs as well as the Financial Activities group which contributed 26,900 for another 5 percent share. Close behind was the Other Services sector that reported 25,800 or over 4 percent of the state job count. All of these sectors struggled to hold onto jobs during the 2010 and 2011 period with Construction group losing 600 jobs, Other Services releasing 100, and Financial Activities remaining stagnant.

The last two industries of Manufacturing and Information were much smaller with 13,200 and 8,200 positions, only garnering two and one percent, respectively of the total state job base. Manufacturing managed to grow by 200 between 2010 and 2011, while Information was down by 1,600.

More Advertised Jobs Posted Online

Another indication that Hawaii's economy is starting to improve is the elevated demand for more workers by employers. According to the data on advertised jobs from 2008-2011, all counties experienced a considerable drop in job postings from 2008 to 2009. The openings rebounded slightly for all areas except Hawaii County in 2010. In

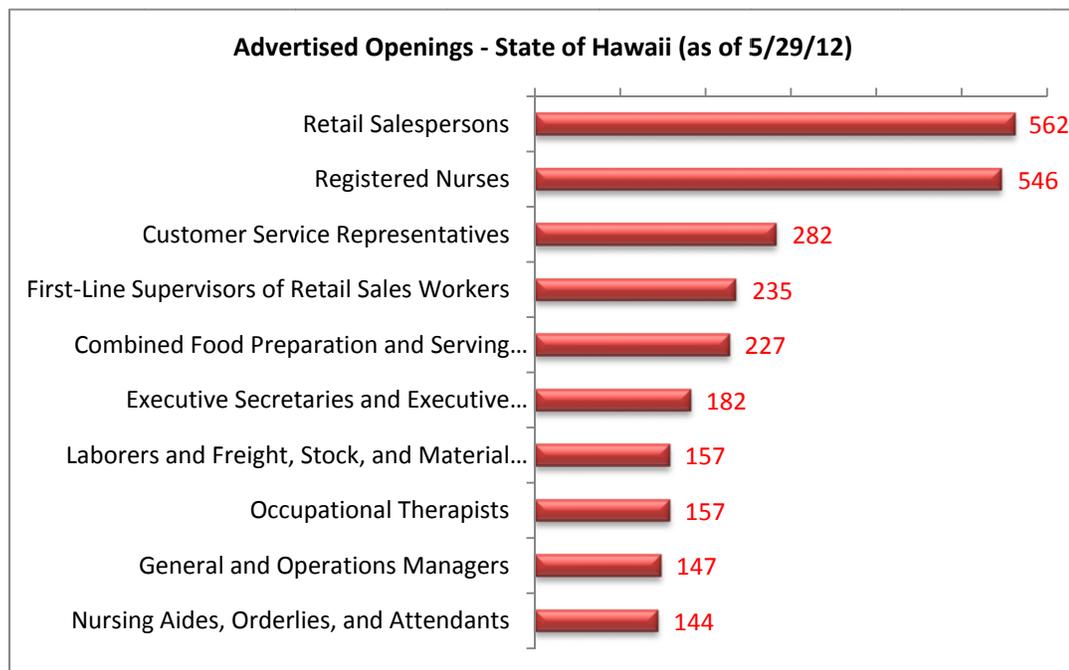
2011, employers in all counties posted more help wanted listings, with Maui County, in particular, benefitting with an increase of 45 percent. Hawaii County went up by 30 percent, followed by Kauai County with a gain of nearly 30 percent, while job advertisements in Honolulu County rose by 21 percent.

Advertised jobs online, Annual 2008-2011

| | 2008 | 2009 | 2010 | 2011 |
|------------------------|---------|---------|---------|---------|
| Statewide | 138,830 | 101,238 | 105,463 | 131,657 |
| Hawaii County | 9,547 | 8,646 | 8,437 | 10,992 |
| Honolulu County | 109,636 | 78,124 | 81,841 | 99,391 |
| Kauai County | 8,116 | 5,027 | 5,153 | 6,693 |
| Maui County | 11,531 | 9,441 | 10,032 | 14,579 |

Source: HIWI, Historic Data - Advertised Jobs

As of May 29, 2012, the top advertised jobs within each county offered a mixture of opportunities for jobseekers. The following graphs display the 10 occupations with the most openings in the State as well as each county.



Source: HIWI Area Profile, Online Advertised Jobs

Advertised Openings - Honolulu Cty (as of 5/29/12)

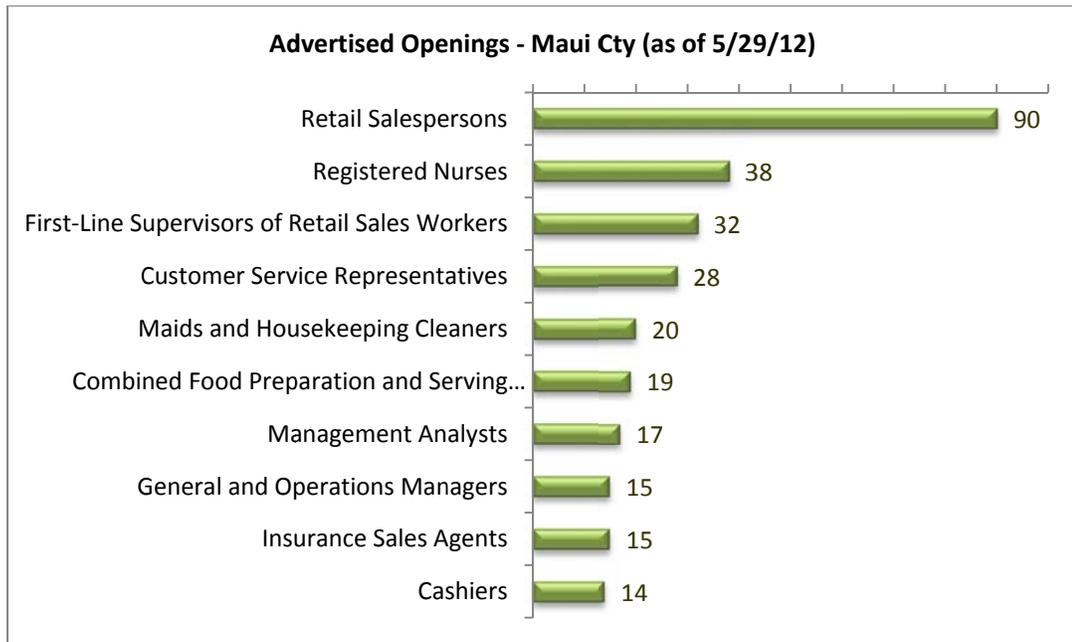


Source: HIWI Area Profile, Online Advertised Jobs

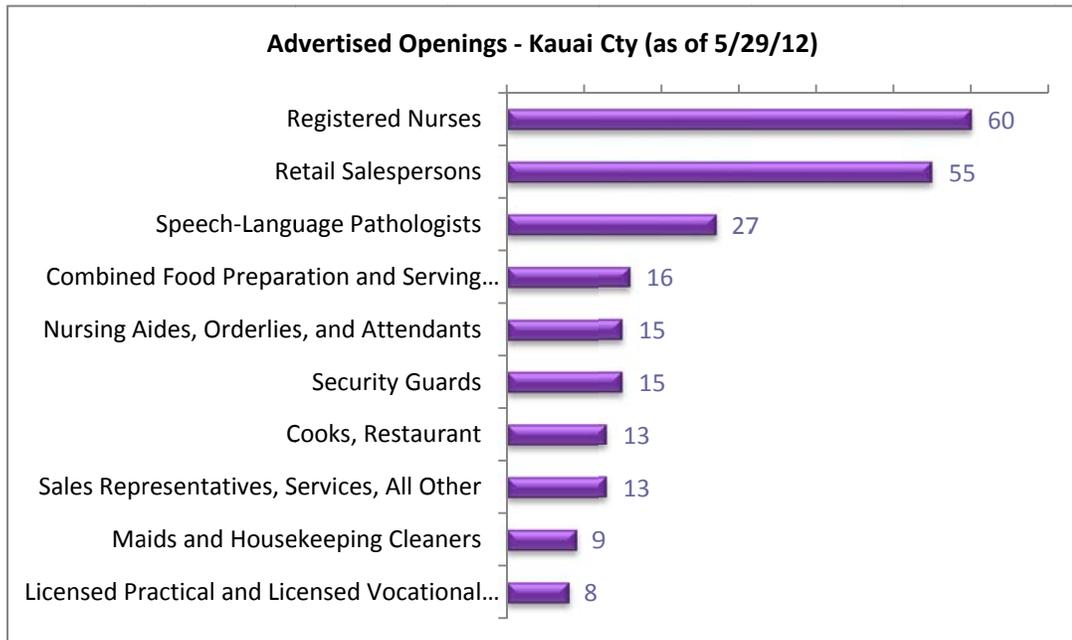
Advertised Openings - Hawaii Cty (as of 5/29/12)



Source: HIWI Area Profile, Online Advertised Jobs



Source: HIWI Area Profile, Online Advertised Jobs



Source: HIWI Area Profile, Online Advertised Jobs

Two occupations common to all counties that advertised openings included: retail salespersons and registered nurses. Four other occupations in demand in three of the four counties were: customer service representatives, first-line retail sales supervisors, combined food preparation and serving workers, and general and operations managers. While some of the jobs in each county can be obtained with only a high school diploma, like laborers, others require some postsecondary training or education such as nurses.

Ratio of Unemployed to Job Openings

The ratio of unemployed (seasonally adjusted) to the number of advertised online jobs openings in Hawaii during the month of April 2012 stood at 1.62, where there were 39,250 jobless and 24,219 job openings. At the time, Hawaii County had the highest ratio of 3.32 percent, Kauai was next with 2.05 percent, Maui County at 1.71 percent, and Oahu at 1.36 percent.

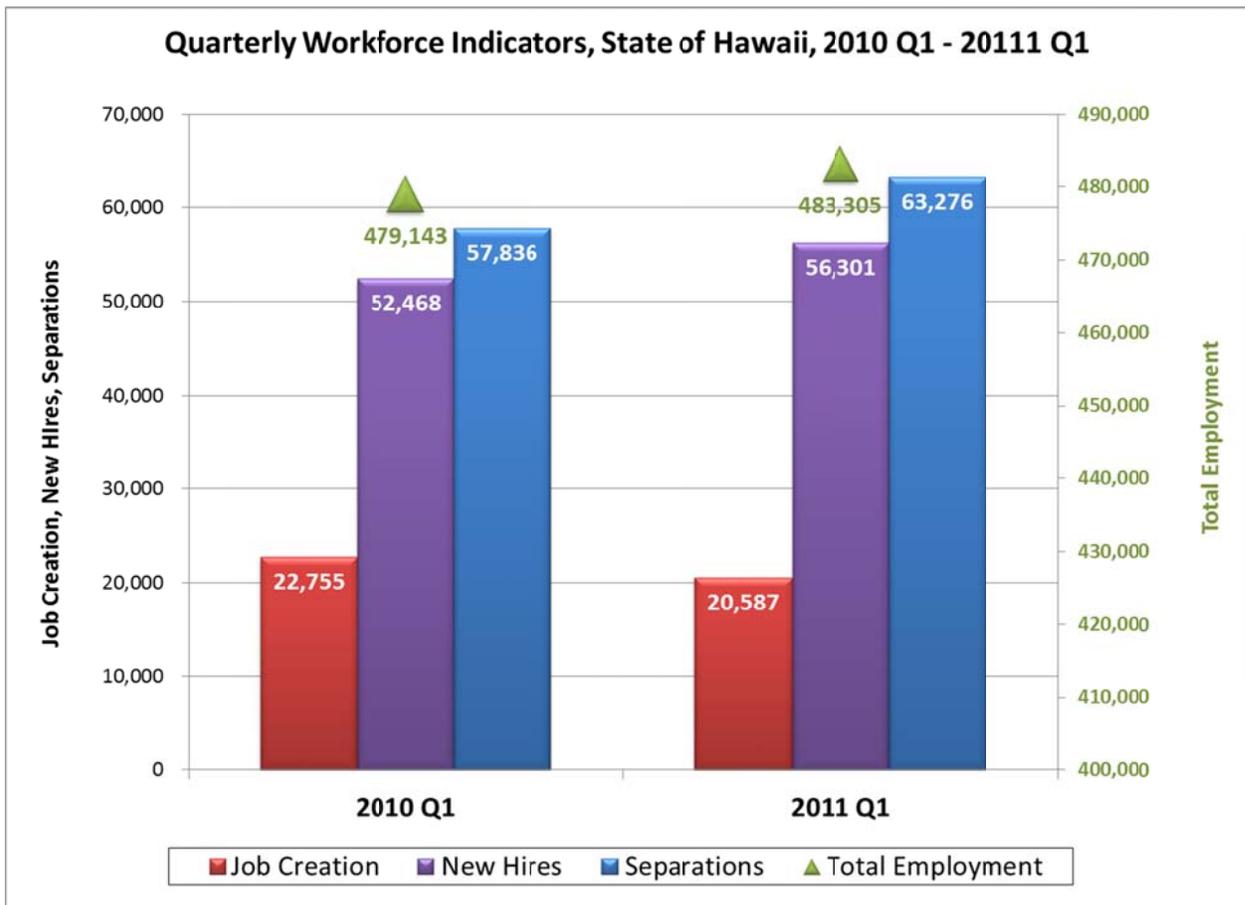
Ratio of Unemployed (not seasonally adjusted) to Job Openings

| | APR 2008 | APR 2009 | APR 2010 | APR 2011 | APR 2012 |
|------------------------|----------|----------|----------|----------|----------|
| Statewide | 0.77 | 2.04 | 2.27 | 1.67 | 1.62 |
| Hawaii County | 1.90 | 4.06 | 5.72 | 4.28 | 3.32 |
| Honolulu County | 0.63 | 1.57 | 1.70 | 1.27 | 1.36 |
| Kauai County | 0.69 | 2.64 | 3.06 | 2.40 | 2.05 |
| Maui County | 1.08 | 3.13 | 3.83 | 2.25 | 1.71 |

Source: HIWI, Supply and Demand

Local Employment Dynamics (LED)

Reviewing data produced by the U.S. Census Bureau's Local Employment Dynamic (LED) program through Quarterly Workforce Indicators (QWI), gives an overview of the State's workforce. The latest data available is for the first quarter of 2011 and comparisons against the same quarter a year ago reveal some of the changes happening within our workforce. For the scope of this plan, only the larger industries were analyzed. Public administration was not included because the QWI data currently does not include state and federal government data in Hawaii. In the first quarter of 2011, total employment in Hawaii averaged 483,305, an increase of 4,162 or 0.9 percent from the first quarter of 2010. Job creation averaged 20,587 in the first quarter 2011, down from 22,755 the same quarter the year before. Meanwhile, new hires increased from 52,468 to 56,301 as separations jumped from 57,836 to 63,276.



Source: U.S. Census Bureau, Local Employment Dynamics

Construction industry employment suffered the greatest setback as it lost 1,030 employees from the first quarter of 2010 to the first quarter of 2011, a drop of 3.5 percent. However, there was positive movement for the accommodation and food services sector and administrative, support, waste management, and remediation services sector which expanded employment by 2,982 and 2,257 workers, respectively, or 3.4 and 5.5 percent. Smaller gains were experienced by the other services and transportation and warehousing sector, as well as the retail industry.

As the state struggled in the midst of the ‘great recession’, job creation suffered a setback of -9.5 percent over the past year to average 20,587. This indicator is defined as the number of jobs created by new companies or expansion of existing companies. So despite the overall growth in total employment, there were fewer new jobs being created in the first quarter of 2011. The leading job creator, accommodation and food services produced 4,220 new jobs in the first quarter of 2011, which was down 569 from the first quarter of the previous year. Manufacturing eked out the most improvement over the year, averaging 272 more new jobs than the prior year, for a 75.3 percent jump. Retail also fared modestly, creating 226 new jobs—a 12.7 percent increase over jobs created the same time a year ago.

On a positive note, the number of new hires rose significantly by 3,833, or 7.3 percent, to average 56,301. The healthcare and social assistance sector led with 1,628 more new hires in the first quarter of 2011, as compared to the same quarter the year before, representing an improvement of 37.8 percent. The administrative and support and waste management and remediation services sector also had a substantial increase in hiring with 1,293 more new hires than the previous year, or 16.4 percent more. While the accommodation and food services sector, being the largest industry sector in terms of total employment, had the most new hires, it did not fare as well in hiring growth over the past year with an increase of 437, or 3.7 percent, for an average of 12,220.

During this time frame, the number of separations escalated by 9.4 percent to average 63,276. This indicator counts the number of workers who left their job for various reasons. Most of the separations occurred in the accommodation and food services sector (11,975) and the administrative, support, waste management, and

remediation services industry (9,143). The latter sector also increased its separation rate to 18.8 percent, second only to the health and social assistance separation rate of 32.2 percent.

Quarterly Workforce Indicators by Industry, State of Hawaii, Comparing 2011 Q1 to 2010 Q1

| Industry | Net Job Flows | | | Job Creation | | | New Hires | | | Separations | | |
|---|---------------|--------|-------|--------------|--------|--------|-----------|--------|--------|-------------|-------|-------|
| | 2011 Q1 | # CHG | % CHG | 2011 Q1 | # CHG | % CHG | 2011 Q1 | # CHG | % CHG | 2011 Q1 | # CHG | % CHG |
| Total, All Industries | 2729 | -2,800 | --- | 20,587 | -2,168 | -9.5% | 56,301 | 3,833 | 7.3% | 63,276 | 5,440 | 9.4% |
| Construction | -203 | -483 | --- | 1,874 | -270 | -12.6% | 3,427 | -60 | -1.7% | 4,383 | 62 | 1.4% |
| Manufacturing | 160 | 349 | --- | 633 | 272 | 75.3% | 1,211 | 309 | 34.3% | 1,221 | -55 | -4.3% |
| Wholesale Trade | 45 | -160 | --- | 552 | -174 | -24.0% | 1,248 | -85 | -6.4% | 1,363 | -42 | -3.0% |
| Retail Trade | -1547 | 362 | --- | 1,999 | 226 | 12.7% | 6,623 | 875 | 15.2% | 8,877 | 428 | 5.1% |
| Transportation & Warehouse | 117 | 8 | --- | 640 | -151 | -19.1% | 2,030 | 337 | 19.9% | 2,259 | 137 | 6.5% |
| Information | -825 | -1,099 | --- | 382 | -347 | -47.6% | 3,002 | -1,036 | -25.7% | 4,534 | 102 | 2.3% |
| Finance & Ins. | 23 | -115 | --- | 421 | -123 | -22.6% | 821 | -256 | -23.8% | 992 | -56 | -5.3% |
| Real Estate, Rental, Leasing | 126 | -25 | --- | 530 | 9 | 1.7% | 1,055 | 13 | 1.2% | 1,093 | 27 | 2.5% |
| Prof., Sci., Tech. | 874 | 128 | --- | 1,820 | 100 | 5.8% | 2,812 | 352 | 14.3% | 2,751 | 351 | 14.6% |
| Admin., Support, Waste Mgmt., Remed. Svcs. | 986 | -179 | --- | 2,604 | -105 | -3.9% | 9,165 | 1,293 | 16.4% | 9,143 | 1,444 | 18.8% |
| Educational Svcs. | 224 | -211 | --- | 592 | -180 | -23.3% | 1,487 | -90 | -5.7% | 2,062 | 291 | 16.4% |
| Health Care & Social Asst. | 869 | -406 | --- | 2,161 | -509 | -19.1% | 5,935 | 1,628 | 37.8% | 6,374 | 1,553 | 32.2% |
| Arts, Enter., Rec. | 59 | -27 | --- | 491 | 54 | 12.4% | 1,343 | 170 | 14.5% | 1,666 | 209 | 14.3% |
| Accommodation & Food Svcs. | 1776 | -539 | --- | 4,220 | -569 | -11.9% | 12,220 | 437 | 3.7% | 11,975 | 941 | 8.5% |
| Other Services | 228 | -437 | --- | 1,143 | -381 | -25.0% | 2,478 | -194 | -7.3% | 2,623 | -12 | -0.5% |

Note: Data extracted on 5/30/12 from LED website: <http://lehd.did.census.gov/led/datatools/qwiapp.html>

Short-term and Long-term Job Growth Positive

Both short-term and long-term projections for Hawaii predict positive growth. The short-term outlook from 2010 to 2012 points to a recovering economy and forecasts an increase of 22, 840 jobs, or 1.8 annually. Growth over the long term will be slower and is projected to expand by 0.7 percent annually from 2008 to 2018.

Job gains among the industries will vary slightly depending on the timeframe of the projections. More than half of the short-term job gain is projected to occur in three sectors: education and health services (4,740); trade, transportation and utilities (4,110); and leisure and hospitality (4,010). Within these sectors educational services will provide the biggest gains, followed by food services and drinking places and accommodation. Three industries will account for about two-thirds of the increase in the long-term forecasts: education and health services (18,390); trade, transportation, and utilities (7,420); and professional and business services (6,080). Within these major sectors, the following subsectors will add at least 340 jobs per year: healthcare and social assistance; educational services; administrative and support and waste management and remediation services; accommodation and food services; and retail trade. During this same period, manufacturing, natural resources and mining, and the information industries will incur a small decline in jobs.

Hawaii's top growth industries: Projected annual job growth for short- and long-term



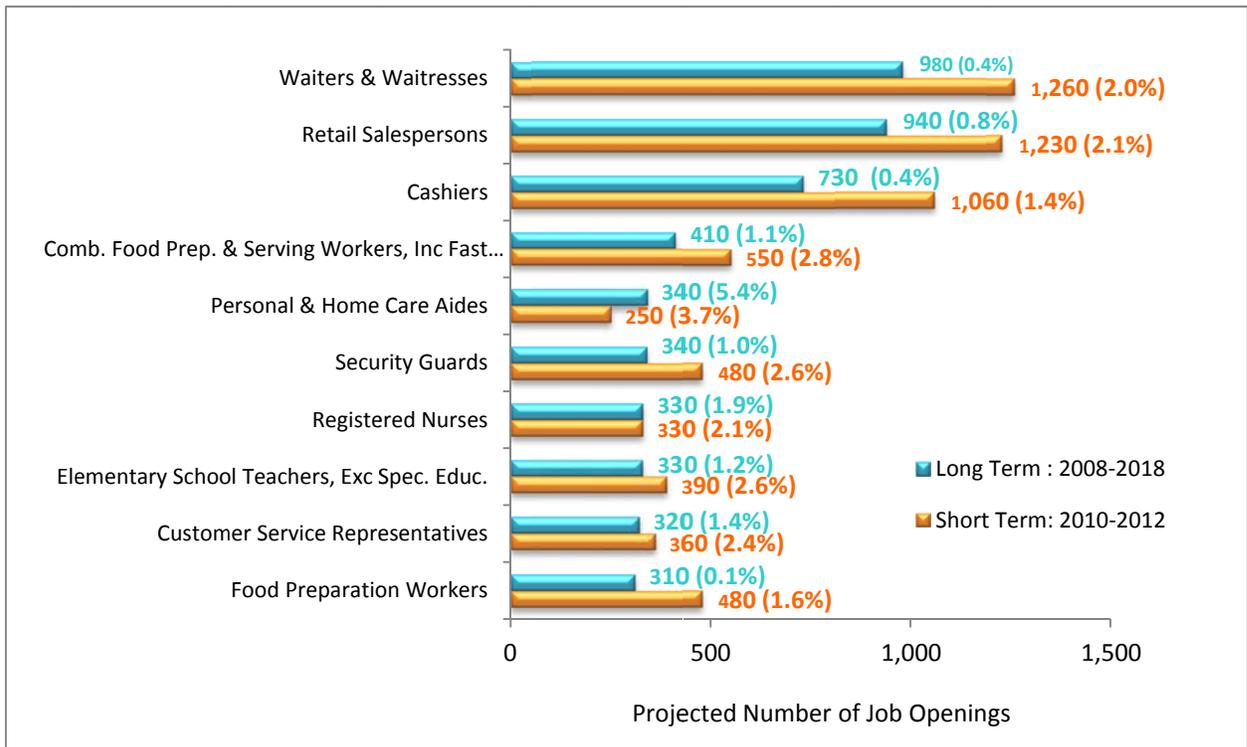
Source: Hawaii Department of Labor and Industrial Relations, Research and Statistics Office.

The overall job outlook for the state appears more positive in the short-term compared to the long-term. Continued improvement in tourist arrivals should provide a much needed stimulus to the local economy. If the rail project ever comes to fruition, it will not only provide a lot of construction jobs, but generate other developments surrounding rail stations.

Many of the job openings for the short- and long-term will occur in entry level, transitional jobs. Eight of the ten occupations with the most projected job openings require short- or moderate term on-the-job training. Waiters and waitresses, retail salespersons, and cashiers are expected to be in highest demand. Two of the ten occupations with the most projected job openings require higher education and training. They include registered nurses and elementary school teachers. Among jobs that pay median annual wages of more than \$48,000, four of the

occupations: carpenters, construction laborers, electricians, and police and sheriff's patrol officers do not require postsecondary training.

Ten Hawaii occupations projected to have the most annual job openings



Source: Hawaii Department of Labor and Industrial Relations, Research and Statistics Office.

An assessment of the workforce skills and knowledge individuals need to find current and future employment in the state, particularly those skills and knowledge identified by employers as necessary for economic growth in the state

Short-term growth should outperform long-term growth because the current recovery from the Great Recession is well underway and will progress in the next few years. The long-term outlook is a projection of the economy assuming full employment, while the short-term forecast predicts the upcoming business cycle.

In the short-term, there will be increased demand in the education and healthcare industries due to the aging population and the push for educational reform. The rebounding of the visitor industry will have far reaching effects on retail trade, air and sightseeing transportation, and of course accommodations and food services. Visitor arrivals are expected to increase, especially from places other than the U.S. and Japan, while occupancy rates and room rates are also going up. In addition, visitor spending is increasing, which bodes well for tourism but also, in general, for the entire economy. Construction, which has been mired in an extended down cycle, was anticipating a boost from the rail project that broke ground but is still in limbo, pending the outcome of a lawsuit.

The long-term trend for growth in education and health services, in addition to trade, transportation, and utilities, echoes the forecast for short-term growth. The reasons are the same for both time periods, as tourism, and education and healthcare play a vital role in our state's economy. Administrative and support services are expected to benefit when the temporary help service agencies see increased demand by employers for temporary help. This is a sign that businesses may feel more confident to hire at least temporary help, if not permanent staff.

Wide Range of Skills and Education Needed

The two largest, major occupational groups of Service occupations and Professional and related occupations have, by far, the largest employment and will exhibit the most gains. From 2008 to 2018, job growth in these two groups will significantly outpace all other groups, representing over 60 percent of the total job advances. Occupations in these two groups encompass a wide range of jobs (waiters/waitresses, food workers, teachers, and registered nurses) with varying skills and education and training requirements, and employ approximately 44 percent of the workforce. See Table x. The Service and Professional groups will also produce about half of all job openings each year.

In terms of percentage growth, the Professional and related occupational group is projected to expand faster than the statewide average for all occupations, increasing by 10.4 percent. Growth in Business and Financial operations occupations ranks second, followed by Service occupations, at 10.1 percent and 8.8 percent, respectively – well above the state’s average growth rate of 6.9 percent.

Occupational Employment and Growth, State of Hawaii, 2008-2018

| Occupation | Employment | | Growth | | Average Annual Openings | | |
|--|------------|---------|--------|---------|-------------------------|---------------------|--------|
| | 2008 | 2018 | Net | Percent | Due to Growth | Due to Replacements | Total |
| Total, All Occupations | 685,920 | 733,180 | 47,260 | 6.9% | 5,230 | 16,030 | 21,260 |
| Management | 44,680 | 46,220 | 1,540 | 3.4% | 190 | 930 | 1,130 |
| Business & Financial Operations | 28,850 | 31,750 | 2,900 | 10.1% | 300 | 560 | 860 |
| Professional & Related | 132,020 | 145,740 | 13,720 | 10.4% | 1,420 | 2,920 | 4,340 |
| Service | 174,850 | 190,250 | 15,400 | 8.8% | 1,550 | 4,750 | 6,300 |
| Sales & Related | 72,510 | 76,490 | 3,980 | 5.5% | 420 | 2,100 | 2,520 |
| Office & Administrative Support | 103,870 | 107,000 | 3,130 | 3.0% | 570 | 2,130 | 2,700 |
| Farming, Fishing, & Forestry | 5,080 | 5,090 | 10 | 0.2% | 10 | 140 | 140 |
| Construction & Extraction | 44,080 | 46,970 | 2,890 | 6.6% | 310 | 740 | 1,040 |
| Installation, Maintenance, & Repair | 22,950 | 24,430 | 1,480 | 6.4% | 160 | 450 | 610 |
| Production | 17,620 | 18,120 | 500 | 2.8% | 90 | 350 | 440 |
| Transportation & Material Moving | 39,410 | 41,140 | 1,730 | 4.4% | 220 | 980 | 1,210 |

Totals may not add due to rounding to the nearest ten.

To identify the kinds of skills and knowledge that individuals need to find current and future employment and that employers' desire in their employees, a review of the largest annual openings by occupation is in order. Of the top ten occupations with the most annual openings, seven required only basic skills and they needed less than a month of training. Most of the occupations with the biggest openings involved serving and preparing foods either as waiters and waitresses, fast food workers, or food preparation workers. Retail sales jobs and cashiers were also plentiful. The skills for these types of jobs required predominantly active listening, speaking, service orientation, and social perceptiveness. As for knowledge, customer and personal service was critical, English played a strong role, and some sales and marketing. For the occupations dealing with food, food production was important.

Teachers, both elementary and secondary were among the high demand occupations in the state that required high skills, meaning a bachelor's degree or higher, and so not surprisingly, instructing, speaking, and learning strategies were deemed necessary skills. Along with these skills, English, education and training, and knowledge of specific teaching areas were suitable attributes.

Occupations needing moderate skills, such as more than a month, but less than a bachelor's degree, were registered nurses and customer service representatives. These positions and others at this skill level demanded principally active listening. Reading comprehension also was prevalent along with critical thinking and speaking. As for knowledge, customer and personal service and English were cited in numerous jobs.

Skill Requirements of Jobs With the Most Job Openings From 2008-2018

| Occupation | Skills | Abilities | Knowledge | Training & Education Requirements | Annual Openings |
|--|---|--|--|-----------------------------------|-----------------|
| Waiters & Waitresses | Speaking, Active Listening, Service Orientation, Social Perceptiveness | Oral Comprehension & Expression, Speech Clarity & Recognition, Trunk Strength | Customer & Personal Service, Sales & Marketing, English, Food Production | Short-term on-the-job training | 980 |
| Retail Salespersons | Active Listening, Mathematics, Speaking, Social Perceptiveness, Critical Thinking | Oral Comprehension & Expression, Trunk Strength, Speech Recognition & Clarity, Problem Sensitivity | Customer & Personal Service, Sales & Marketing, Administration & Management | Short-term on-the-job training | 940 |
| Cashiers | Active Listening, Mathematics, Speaking, Instructing, Social Perceptiveness | Oral Expression & Comprehension, Number Facility, Speech Recognition & Clarity, Near Vision | Customer & Personal Service, Mathematics, English, Education & Training | Short-term on-the-job training | 730 |
| Fast Food Preparers & Servers | Active Listening, Speaking, Instructing, Mathematics, Social Perceptiveness | Oral Expression & Comprehension, Speech Clarity, Problem Sensitivity, Trunk Strength, Near Vision | Customer & Personal Service, Food Production, Sales & Marketing, Mathematics | Short-term on-the-job training | 410 |

| Occupation | Skills | Abilities | Knowledge | Training & Education Requirements | Annual Openings |
|---|---|--|---|--|------------------------|
| Security Guards | Active Listening, Reading Comprehension, Social Perceptiveness, Monitoring | Problem Sensitivity, Selective Attention, Inductive Reasoning, Near Vision, Oral Comprehension | Public Safety & Security, Customer & Personal Service, English, Law & Government | Short-term on-the-job training | 340 |
| Personal & Home Care Aides | Service Orientation, Active Listening, Social Perceptiveness, Critical Thinking, Speaking | Oral Comprehension, Problem Sensitivity, Information Ordering, Speech Clarity | Customer & Personal Service, Public Safety & Security, English Language, Psychology | Short-term on-the-job training | 340 |
| Elementary School Teachers | Instructing, Reading Comprehension, Speaking, Learning Strategies | Oral Comprehension & Expression, Problem Sensitivity, Speech Clarity | English, Education & Training, Mathematics, Psychology, Geography | Bachelor's degree | 330 |
| Registered Nurses | Active Listening, Reading Comprehension, Critical Thinking, Instructing, Speaking | Problem Sensitivity, Oral Expression & Comprehension, Inductive & Deductive Reasoning | Medicine & Dentistry, Psychology, Customer & Personal Service, English, Biology | Associate's degree | 330 |
| Customer Service Representatives | Active Listening, Reading Comprehension, Monitoring, Speaking | Oral Comprehension & Expression, Deductive Reasoning, Problem Sensitivity | Customer & Personal Service, English, Clerical, Mathematics | Moderate-term on-the-job training | 320 |
| Food Preparation Workers | Active Listening, Reading Comprehension, Instructing, Speaking, Learning Strategies | Oral Comprehension, Arm-Hand Steadiness, Manual Dexterity, Speech Recognition | Customer & Personal Service, Food Production, Mathematics, English | Short-term on-the-job training | 310 |

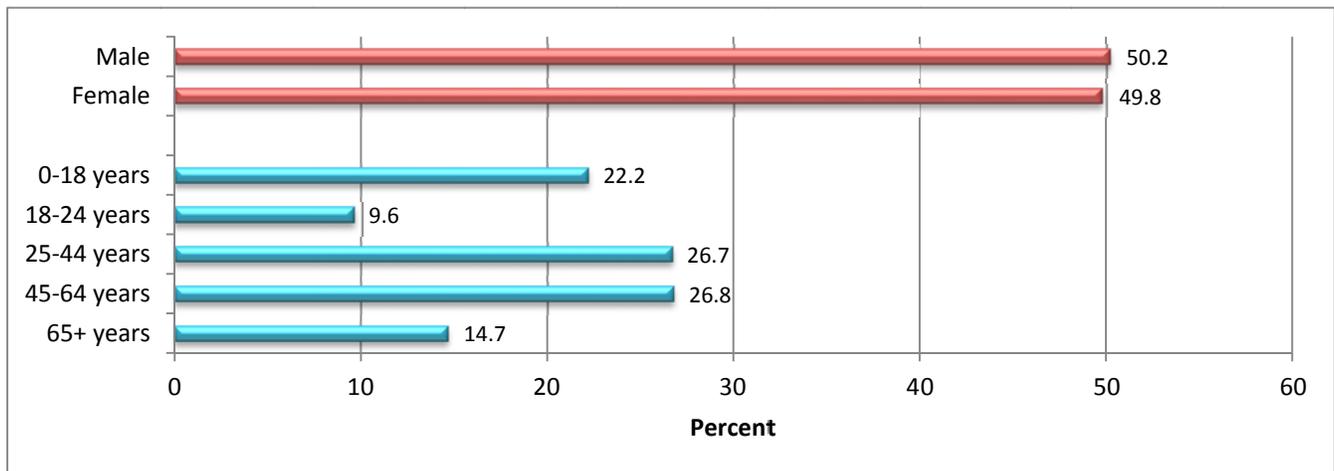
Source: Department of Labor and Industrial Relations, Research and Statistics Office

Hawaii's Population and Demographics

According to population estimates for 2011, with a population count of 1,374,810, Hawaii remains one of the smaller states and ranks 40th in size compared to the other 50 states. This represents a slight improvement from 2010, in which Hawaii was ranked 42nd in size. By 2030, Hawaii's population is projected to reach 1,466,046, an increase of 6.6 percent.

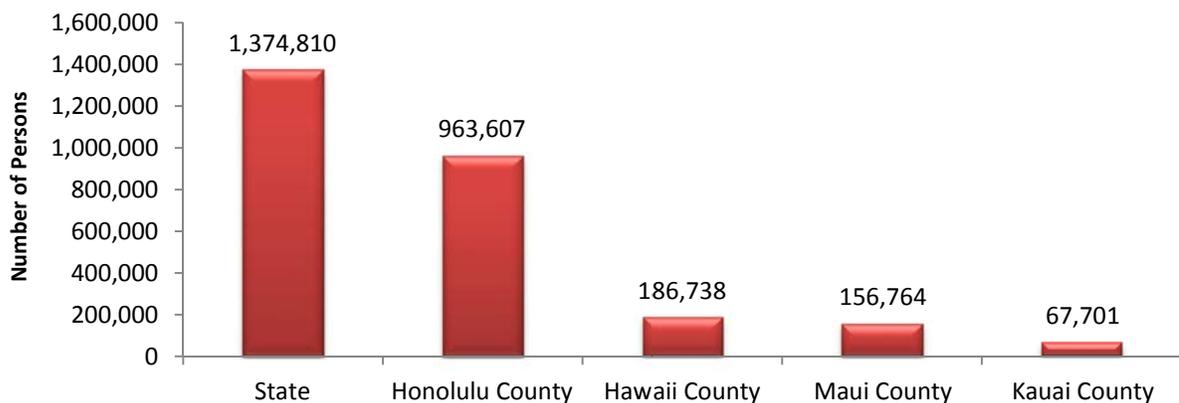
Though third largest in county size, approximately 70 percent of the state's population resides in Honolulu County. With more than double the land area of Honolulu County, Hawaii County accounts for 13.6 percent of the population. Maui County, which experienced the fastest growth from 2010 to 2011, follows with an 11.4 percent share of the population, while Kauai County, the smallest of the counties represents only 4.9 percent of the population.

Population Distribution of Hawaii's Population, 2011



Source: U.S. Census Bureau, Population Division

2011 Resident Population for the State of Hawaii and the Counties



Source: U.S. Census Bureau, Population Division

In 2011, Hawaii's civilian labor force totaled 660,700 with the following characteristics:

Ethnicity

The workforce is multi-ethnic; the two largest groups were Asian (44.2 percent) and White (25.7 percent). Both of these groups posted unemployment rates below the statewide average of 6.7 percent with Asians posting the lowest rate of 4.4 percent while 6.3 percent of Whites were unemployed. Two groups in particular, American Indian/Alaskan Natives which accounted for only 0.2 percent of the civilian labor force and Native Hawaiian/Pacific Islanders with an 8.7 percent share of the civilian labor force had unemployment rates of 15.9 percent and 12.6 percent respectively, well above the statewide average.

Women comprised 48.2 percent of the civilian workforce.

Table 1. Labor Force Information By Sex And Race, State of Hawaii, 2011

| Sex and Race | Civilian Labor Force | Percent Distribution | | | Unemployment Rate |
|-------------------------------|----------------------|----------------------|----------|------------|-------------------|
| | | Civilian Labor Force | Employed | Unemployed | |
| Both Sexes (incl. Hispanic) | 660,700 | 100.0% | 100.0% | 100.0% | 6.7% |
| White | 169,550 | 25.7 | 25.8 | 24.3 | 6.3 |
| Black/African American | 7,700 | 1.2 | 1.1 | 1.6 | 9.1 |
| Amer. Indian/Alaskan Native | 1,650 | 0.2 | 0.2 | 0.6 | 15.9 |
| Asian | 291,700 | 44.2 | 45.2 | 29.1 | 4.4 |
| Native Hawaiian/Pac. Islander | 57,350 | 8.7 | 8.1 | 16.4 | 12.6 |
| Some Other Race | 7,000 | 1.1 | 1.0 | 1.6 | 9.8 |
| Two or More Races | 125,750 | 19.0 | 18.5 | 26.5 | 9.3 |
| Minority Group | 491,150 | 74.3 | 74.2 | 75.7 | 6.8 |
| Hispanic or Latino | 40,400 | 6.1 | 5.8 | 10.5 | 11.4 |
| Females (incl. Hispanic) | 318,700 | 100.0% | 100.0% | 100.0% | 6.0% |
| White | 77,600 | 24.3 | 24.3 | 24.8 | 6.1 |
| Black/African American | 3,100 | 1.0 | 0.9 | 1.7 | 10.6 |
| Amer. Indian/Alaskan Native | 800 | 0.3 | 0.2 | 0.8 | 19.1 |
| Asian | 146,600 | 46.0 | 47.2 | 27.4 | 3.6 |
| Native Hawaiian/Pac. Islander | 27,000 | 8.5 | 8.0 | 16.0 | 11.3 |
| Some Other Race | 3,100 | 1.0 | 0.9 | 1.7 | 10.4 |

| Sex and Race | Civilian Labor Force | Percent Distribution | | | Unemployment Rate |
|------------------------------------|----------------------|----------------------|----------|------------|-------------------|
| | | Civilian Labor Force | Employed | Unemployed | |
| Two or More Races | 60,450 | 19.0 | 18.4 | 27.5 | 8.7 |
| Minority Group | 241,100 | 75.7 | 75.7 | 75.2 | 6.0 |
| Hispanic or Latino | 19,900 | 6.2 | 5.9 | 11.3 | 10.9 |
| Females as a Percent of Both Sexes | 48.20% | ---- | ---- | ---- | ---- |

Note: Totals may not add due to rounding.

Source: Labor Force Estimates from 2011 Annual Local Area Unemployment Statistics (LAUS), based on 2000 Census.

Earnings

Median weekly earnings for full-time wage and salary workers in 2010 averaged \$732 per week. Males earned \$797 per week, while females received \$658 per week. For women, this translates to 82.6 percent of the median weekly earnings of men, which is a slight increase of 1.1 percentage points from 2009. Nationwide, women earned \$669 or 81.2 percent of the \$824 earned by men. In 2011, women accounted for about 48 percent of the civilian labor force, with a 6.0 percent unemployment rate. This rate compares favorably to the 7.4 percent unemployment rate for males and the overall rate of 6.7 percent for both sexes combined.

Hawaii's Population and Demographics

Additional skills gap information is provided for the homeless, individuals below poverty level, disabled persons, and older persons.

Homeless

- Of the 5,503 adults who utilized Shelter Program services within the State of Hawaii from July 2, 2010 to June 30, 2011, 70 percent were unemployed, while about a quarter (26 percent) were employed full or part time. The City and County of Honolulu (69 percent) and Kauai County (70 percent) were very similar to the state, while Hawaii County had the highest percentage of adult clients who were unemployed (81 percent) and Maui County had the lowest (67%).
- Statewide, 46 percent of the adults who accessed these services had a high school diploma or GED, while approximately a quarter (24 percent) had some college or more, and another quarter (26 percent) had no high school degree. Among the counties, Hawaii County reported the highest percentage of adult clients with no high school diploma (30 percent). The City and County of Honolulu had the next highest percentage (27 percent) followed by Maui County (22 percent) and Kauai County (17 percent).
- Military veterans comprised 11 percent of the adults who received shelter services statewide. The City and County of Honolulu had the highest percentage of veterans served at 12 percent followed by Kauai County at 10 percent and Hawaii County with 9 percent. Maui County had the lowest percentage of veterans with 6 percent.

- Adults with a disabling condition accounted for 17 percent of those who received shelter services statewide, with Hawaii County reporting the highest percentage of such adults (32 percent), followed by Kauai County (23 percent), the City and County of Honolulu (16 percent), and Maui County (12 percent).

SHELTER PROGRAM - Demographics (Adults 18 years and older)

| | Total | |
|-------------------------------|--------------|-------------|
| | Number | Percent |
| Employment Status | | |
| Unemployed | 3,827 | 70% |
| Employed part time | 673 | 12% |
| Employed full time | 782 | 14% |
| Unknown | 221 | 4% |
| Educational Attainment | | |
| Less than high school diploma | 1,424 | 26% |
| High school diploma/GED | 2,550 | 46% |
| Some college or more | 1,323 | 24% |
| Unknown | 206 | 4% |
| Veteran Status | | |
| Yes | 599 | 11% |
| No/unknown | 4,904 | 89% |
| Disabling Condition | | |
| Yes | 933 | 17% |
| No/unknown | 4,570 | 83% |
| Total | 5,503 | 100% |

Source: Center on the Family, University of Hawaii at Manoa, Homeless Service Utilization Report - Hawaii 2011, www.uhfamily.hawaii.edu

To bridge the skill gaps that the state's homeless population faces, the State of Hawaii is currently adopting a multi-prong effort to both address the needs of the population now and help individuals in that population develop the skillsets necessary for employment. This multi-pronged effort includes:

- Working with local homeless shelters to provide job skills workshops to the residents. This is being done through a Governor-led effort to address homeless issues across the state, with a dedicated committee through the Hawaii Interagency Council on the Homeless.
- Knowing the resources in your area and working with consortiums and partners on grant opportunities to provide additional services
- Referrals to other partner agencies to provide physical and mental health services, substance abuse treatment and skill development services.

Poverty

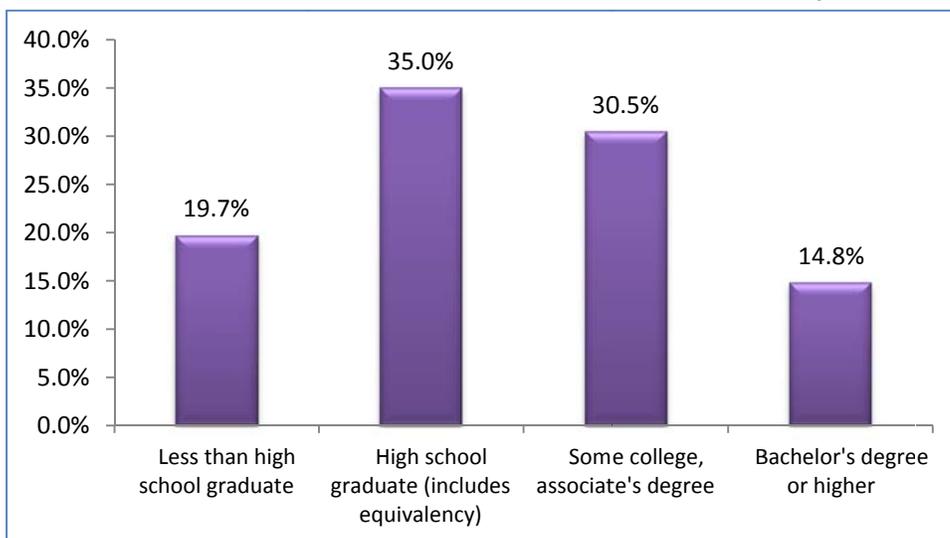
- According to data from the 2009-2011 American Community Survey, almost 8 percent of individuals in the State of Hawaii earned income that fell below the poverty level.

- Four-fifths of individuals that fell within the poverty level had obtained at least a high school level education. Approximately 45 percent had received some postsecondary education.

State of Hawaii, Poverty Status in the Past 12 Months of Individuals

| | |
|---|----------------|
| Income in the past 12 months below poverty level: | 81,582 |
| Less than high school graduate | 16,076 |
| High school graduate (includes equivalency) | 28,571 |
| Some college, associate's degree | 24,853 |
| Bachelor's degree or higher | 12,082 |
| Income in the past 12 months at or above poverty level: | 832,131 |
| Less than high school graduate | 72,263 |
| High school graduate (includes equivalency) | 232,042 |
| Some college, associate's degree | 269,799 |
| Bachelor's degree or higher | 258,027 |
| Total: | 913,713 |

Education Level for Individuals below the Poverty Level



Source: U.S. Census Bureau, 2009-2011 American Community Survey 3-Year Estimates, Table C17003: Poverty Status in the Past 12 Months of Individuals by Educational Attainment.

A good majority of those considered in the poverty level are also those who are welfare recipients in Hawaii. They tend to be less skilled than the general adult population and tend to be much less skilled than employed people not receiving aid. People who are heavily dependent on welfare, defined as welfare recipients who did not work in the prior year, tend to have even lower skill levels than other welfare recipients.

The State of Hawaii, in addressing the skill gap in those receiving public assistance, will continue to partner both the labor and human resources development departments of the State of Hawaii to provide to all public assistance recipients the opportunity to gain new, work related skills. This includes, but not limited to technical, soft skill development and work placement.

Persons with Disabilities

- Of the 272,204 individuals with a disability in the State of Hawaii, slightly over 1 percent, or 3,935 persons have a disability that permits them to go outside the home. Within that group, almost 84 percent are not enrolled in school. More than two-thirds of those not enrolled in school have a high school level education or higher.

State of Hawaii, Go-Outside-Home Disability by Educational Attainment

| | |
|---|----------------|
| With a go-outside-home disability: | 3,935 |
| Enrolled in school: | 637 |
| Below college | 247 |
| College or graduate school | 390 |
| Not enrolled in school: | 3,298 |
| Less than high school graduate | 1,077 |
| High school graduate (includes equivalency) | 1,613 |
| Some college or associate's degree | 415 |
| Bachelor's degree or higher | 193 |
| No go-outside-home disability: | 268,269 |
| Enrolled in school: | 70,754 |
| Below college | 9,131 |
| College or graduate school | 61,623 |
| Not enrolled in school: | 197,515 |
| Less than high school graduate | 14,531 |
| High school graduate (includes equivalency) | 80,075 |
| Some college or associate's degree | 59,958 |
| Bachelor's degree or higher | 42,951 |
| Total: | 272,204 |

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates.
Table B18015: Go-Outside Home Disability by School Enrollment and Educational Attainment for the Civilian Noninstitutionalized Population 18 to 34 years

Currently, disabled people in Hawaii are far less likely to be in work or hold qualification for current job opportunities in the state. Hawaii's disabled populations are more likely to have no recognized qualifications whatsoever or have minimum qualifications for possible entry-level placement with no opportunity to advance. Within the wide definition of disability, there are significant concentrations of low skills among certain groups of disabled people with long term health conditions, which at times impede employers from hiring disabled for entry level positions. To address these gaps, the governor of the state has increased resources to social agencies that provide support and development services for disabled, with the goal of helping integrate more of the disabled population into the workforce.

Older Persons

- Persons aged 45 years old and older constitute more than half of the state's population count. More than one-third of those in this category are between the ages of 45 to 64 years old.
- In terms of educational attainment, approximately 80 percent of the population 65 years and older have at least a high school degree while almost 92 percent of those 45 to 64 years old are at least high school graduates. About 45 percent of those 65 years and older have some postsecondary education compared to almost two-thirds of those 45 to 64 years old.

**State of Hawaii, Educational Attainment for the Population
45 Years and Older**

| | |
|---|------------------|
| 45 to 64 years: | 368,752 |
| Less than 9th grade | 14,229 |
| 9th to 12th grade, no diploma | 16,840 |
| High school graduate, GED, or alternative | 95,567 |
| Some college, no degree | 87,055 |
| Associate's degree | 38,080 |
| Bachelor's degree | 76,345 |
| Graduate or professional degree | 40,636 |
| 65 years and over: | 196,616 |
| Less than 9th grade | 24,088 |
| 9th to 12th grade, no diploma | 15,655 |
| High school graduate, GED, or alternative | 68,771 |
| Some college, no degree | 31,665 |
| Associate's degree | 9,655 |
| Bachelor's degree | 27,228 |
| Graduate or professional degree | 19,554 |
| Total: | 1,058,118 |

Source: U.S. Census Bureau, 2009-2011 American Community Survey 3-Year Estimates,
Table B15001: Sex by Age by Educational Attainment for the Population 18 Years and Over

The older worker population, generally, is seen more as an asset than a detriment due to the amount of skill the worker has already obtained through years of employment. Even with high-tech development of workplaces, older workers are still seen as an asset due to their higher development of soft skills and discipline. However, one gap that continually needs to be addressed is perceived discrimination that older workers will cost more for a company hiring them. With proof showing that older workers are more productive than their younger counterparts, thus countering any increase in health or employment premiums of the worker, the State of Hawaii continues to promote the hiring of Kupuna, or senior workers, into the state's workforce.

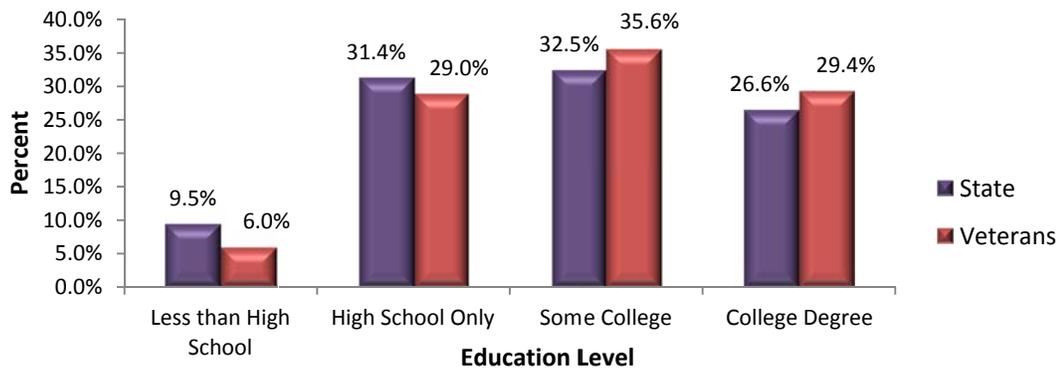
Foreign-born Population

- More than one-fifth (18.1 percent) of the state's population is foreign-born. Among the foreign-born residents, 29.2 percent reported the year of entry into the United States as 2000 or later. More than three-quarters (77 percent) of Hawaii's foreign-born population was born in Asia.
- A little over a quarter (25.9 percent) of the population over the age of 5 years old speaks a language other than English. Not surprisingly, considering the size of the foreign-born population, the overwhelming majority (84.6 percent) reported "Asian and Pacific Islander languages" as the language other than English spoken at home. Of the total group that speaks a language other than English at home, almost half (46.8 percent) stated that they speak English less than "very well."

Veterans

- Veterans constitute approximately 11.7 percent of the civilian population over 18 years old. The labor force participation rate for veterans in Hawaii is 79.2 percent compared to 76.8 percent for the nation. Approximately 4.9 percent of the state's veterans are unemployed, slightly higher than the statewide rate of approximately 4.5 percent. Median income of veterans averaged \$41,840. In terms of education, 6 percent had less than a high school degree, 29 percent had only a high school diploma, more than one-third (35.6 percent) of the veterans had at least attended college, and 29.4 percent graduated from college. Compared to the statewide population, veterans have attained higher levels of education. See chart below.
- Although veterans currently have a fairly low rate of unemployment, a significant number of veterans will be entering the workforce in the future as the military winds down. Of those returning, it is estimated that approximately 45 percent have sustained an injury.

Education Level of the State Population vs. Veterans, Adults 25 and Over, 2006-2010



Source: United States Department of Agriculture, Atlas of Rural and Small Town America

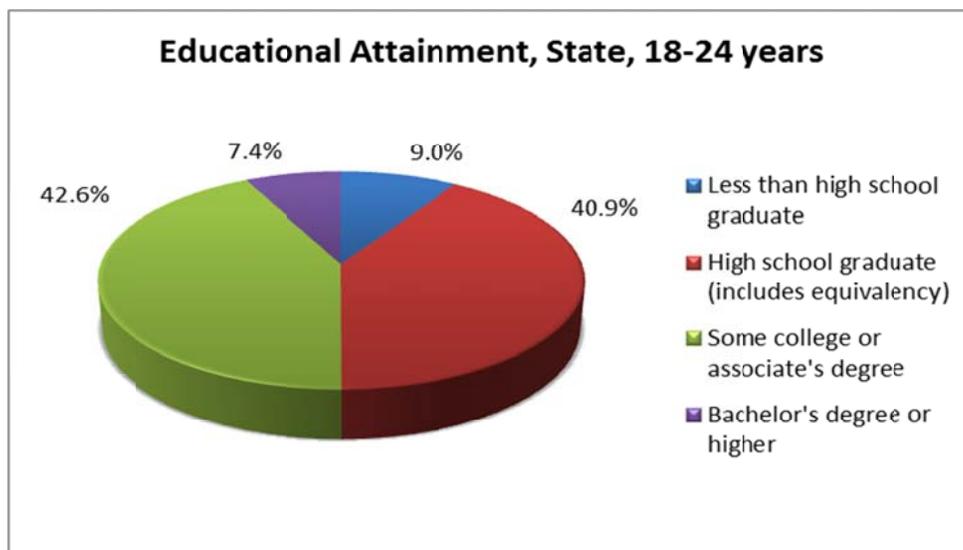
Farm Workers

According to the U.S. Department of Agriculture, National Agricultural Statistics Service, in 2011, Hawaii's hired agricultural workforce increased from 6,400 to 7,100 workers, up 11 percent from 2010. All other (diversified agriculture) provided over 90 percent of the total gain in the agricultural workforce.

Hawaii Performs Well in Educational Attainment

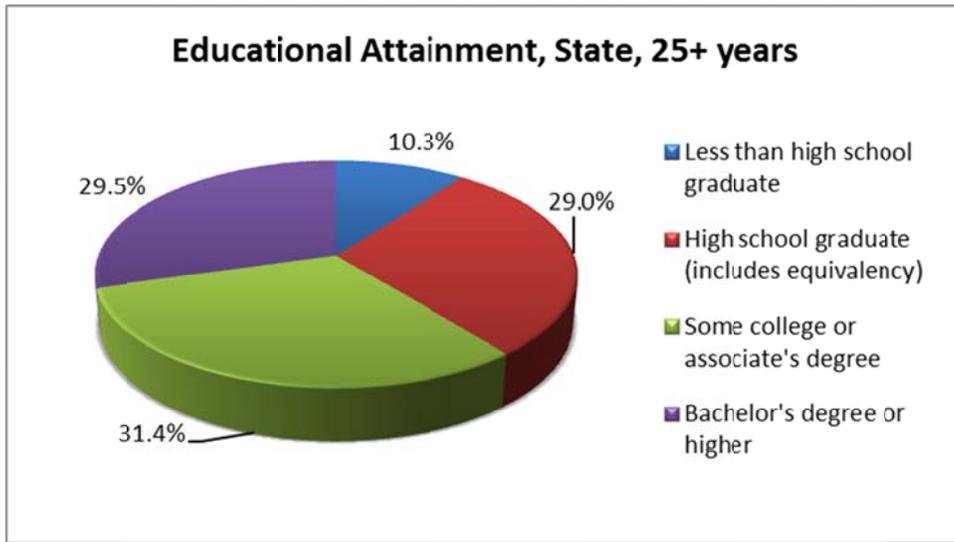
Overall, Hawaii compared favorably against the nation in terms of educational attainment, both for youth and working age populations. Hawaii had a smaller percentage of people without high school diplomas and a slightly greater share of high school graduates. In terms of college and degrees, Hawaii had higher shares of those also, except in the youth aged 18-24, which trailed the U.S. in percentage of those holding Bachelor's or higher degrees.

Nine percent of the youth in Hawaii did not graduate from high school during the reference period 2006-2010. However, Hawaii compared favorably against the nation which averaged 17.1 percent. High school graduates comprised nearly 41 percent of Hawaii's youth, which is significantly higher than the U.S. average of 31.2 percent. The percentage of youth with some college or associate's degrees was almost identical with 42.6 percent for Hawaii and 42.5 percent in the nation. In terms of the youth that earned Bachelor's or higher degrees, Hawaii lagged behind the U.S. with 7.4 percent compared to the national average of 9.2 percent.



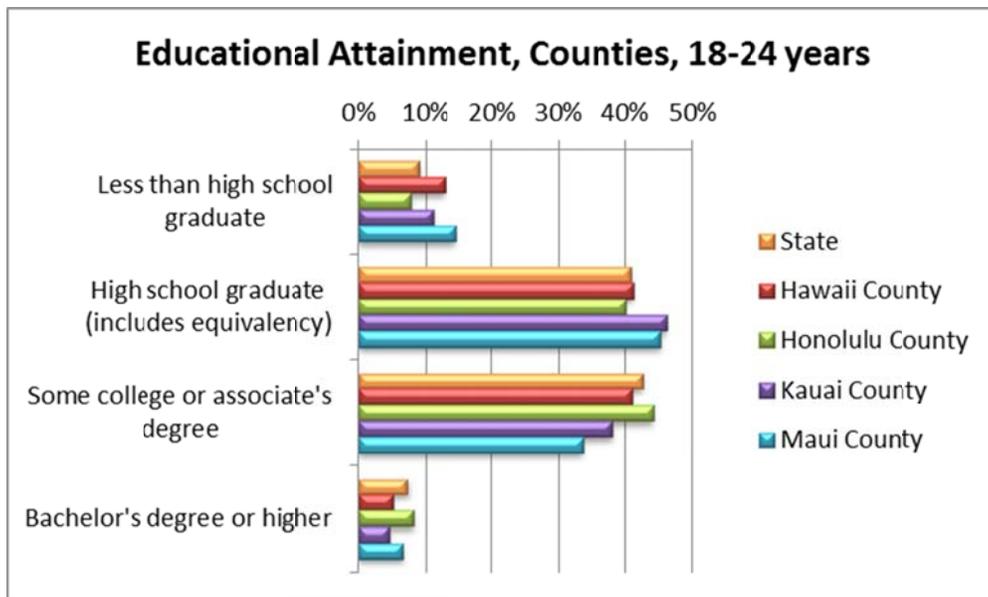
Source: U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates, Table S1501.

Among the working age population aged 25 years and older, Hawaii had 10.3 percent with no high school diploma, while the U.S. came in higher with 14.9 percent. The percentage of high school graduates was the same for Hawaii and the nation with 29 percent. Those with some college or associate's degree comprised 31.4 percent of working age people in Hawaii, while the figure for the U.S. was lower at 28.1 percent. Working age people holding a Bachelor's or higher degree accounted for a 29.5 percent share in Hawaii, while the same group comprised only 27.9 percent in the nation.



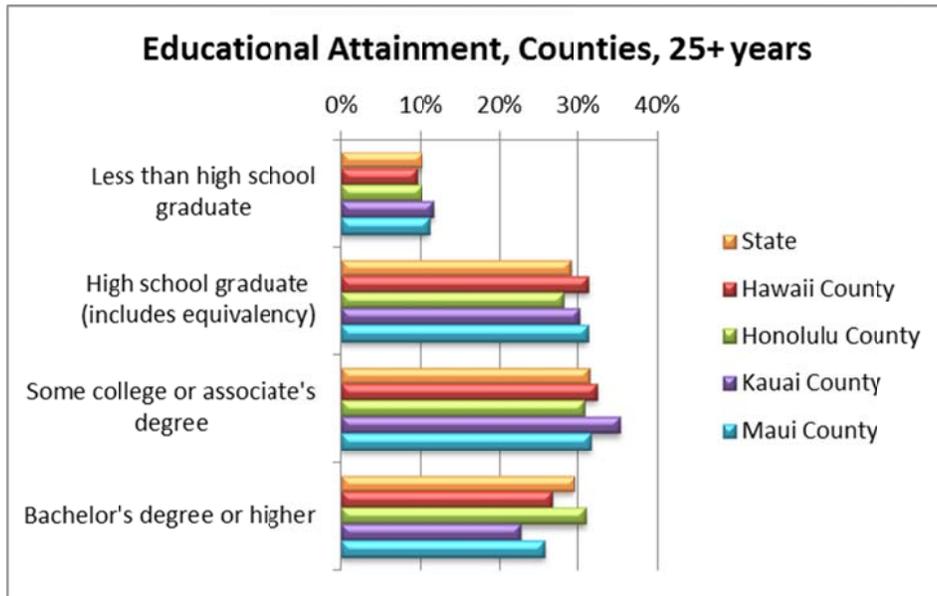
Source: U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates, Table S1501.

Among the four counties in Hawaii, Honolulu County fared the best in terms of educational attainment for youth aged 18-24 years old. Honolulu had the smallest percentage of those without a high school diploma and the highest share of those with some college or degrees.



Source: U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates, Table S1501.

Educational attainment among the counties varied among the working age population aged 25 years and older. Hawaii County had the smallest percentage of non-high school graduates, but they also had the highest share of those with only high school diplomas. Meanwhile, Kauai County had the highest percentage of those with some college or associate's degrees. Honolulu County had the greatest share of those with Bachelor's or higher degrees.



Source: U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates, Table S1501.

Within the University of Hawaii system that includes three university campuses and seven community colleges, there were nearly 9,000 degree and certificates earned during the fiscal year 2010 to 2011, a record number. About 52 percent of the degrees were from the main UH campus at Manoa, with nearly 3,000 being Bachelor's degrees and 1,232 being Master's degrees. UH at Hilo conferred 731 degrees, mostly of the Bachelor's type. Of the community colleges, Kapiolani was the largest school conferring 851 degrees, predominantly Associate's degrees.

Degrees, Diplomas and Certificates Earned, University of Hawaii System, FY 2010-2011

| | Total | UH-Manoa | UH-Hilo | UH-West Oahu | Hawaii CC | Honolulu CC | Kapiolani CC | Kauai CC | Leeward CC | Maui CC | Windward CC |
|-----------------------------|--------------|--------------|------------|--------------|------------|-------------|--------------|------------|------------|------------|-------------|
| All Degrees | 8,988 | 4,675 | 731 | 255 | 405 | 559 | 851 | 208 | 657 | 482 | 165 |
| Certificates | 474 | | | | 62 | 38 | 91 | 59 | 60 | 155 | 9 |
| Associate Degrees | 2,847 | | | | 343 | 518 | 760 | 149 | 597 | 324 | 156 |
| Advanced Prof. Cert. | 3 | | | | | 3 | | | | | |
| Bachelor's Degrees | 3,796 | 2,957 | 581 | 255 | | | | | | 3 | |
| Post Bach. | 103 | 75 | 28 | | | | | | | | |
| Master's Degrees | 1,269 | 1,232 | 37 | | | | | | | | |
| Doctor's Degrees | 213 | 212 | 1 | | | | | | | | |
| First Professional | 283 | 199 | 84 | | | | | | | | |

Source: Banner Operational Data Store (ODS) IRO_DEGREE

According to the U.S. Department of Education, National Center for Education Statistics, Common Core of Data 2007-2008 report, Hawaii had 76 percent of its entering freshman class graduating from high school with a regular diploma in four years. This ranks Hawaii 25th in the nation, tied with five other states. Meanwhile, the number of public high school dropouts in Hawaii was 2,938 in the school year 2006-2007. This dropout rate of 5.4 percent ranked Hawaii 12th highest in the nation.

Sixteen Percent Lack Basic Prose Literacy Skills

Sixteen percent of Hawaii’s population (16+ years old) was lacking basic prose literacy skills, which means the knowledge and skills needed to perform prose tasks (to search, comprehend, and use information from continuous texts, such as paragraphs from stories). This group included those who scored ‘below basic’ in prose and those who could not be tested due to language barriers. This was an estimate that had a margin of error as measured by the associated credible interval. There was a 95 percent chance that the value of the percent lacking basic prose literacy skills was contained between the lower and upper bound. The literacy assessments are conducted in conjunction with the National Assessment of Adult Literacy (NAAL) about once a decade and 2003 was the most current one available.

Kauai County had the lowest percentage of people lacking basic prose literacy skills with 12 percent, followed by Hawaii County with 13 percent and Maui County with 14 percent. Honolulu County, with 17 percent, was the only county that had a higher percent than the State.

Percent lacking basic prose literacy skills and corresponding credible intervals, Hawaii 2003

| Location | Population | % Lacking Basic Prose Literacy Skills | 95% Credible Interval | |
|-----------------|------------|---------------------------------------|-----------------------|-------------|
| | | | Lower Bound | Upper Bound |
| State of Hawaii | 944,472 | 16 | 11.5 | 22.2 |
| Hawaii County | 118,659 | 13 | 6.1 | 22.0 |
| Honolulu County | 675,356 | 17 | 11.7 | 25.0 |
| Kauai County | 46,358 | 12 | 6.0 | 21.6 |
| Maui County | 103,972 | 14 | 6.8 | 24.1 |

Source: U.S. Dept. of Education, Institute of Education Sciences, National Center for Education Statistics, 2003 National Assessment of Adult Literacy

Postsecondary Institutions

In 2006, Hawaii had 28 postsecondary institutions, ten of which were public and 18 which were private. Of these, 25 institutions offered career education programs at various levels, mostly for Bachelor’s or Associate’s degrees. An institution was counted as offering a career education program if it awarded an undergraduate credential in a career field of study. These institutions awarded a total of 6,423 career education credentials.

Number of Postsecondary Institutions that offered Career Education Programs and Number of Career Education Credentials Awarded, Hawaii, 2006

| Level of Credential | Institutions | Credentials |
|--|--------------|--------------|
| Certificate: Less than 1 year | 1 | 385 |
| Certificate: At least 1 but less than 2 academic years | 4 | 565 |
| Associate's degree | 9 | 1,963 |
| Other subbaccalaureate credential | 1 | 20 |
| Bachelor's degree | 10 | 3,490 |
| Total | 25 | 6,423 |

Source: U.S. Dept. of Education, National Ctr. for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)

The most popular fields of study were: business management; health sciences; computer and information sciences; and consumer services.

Number of Postsecondary Institutions that offered Career Education Programs and Number of Career Education Credentials Awarded, Hawaii, 2006

| Career Field of Study | Institutions | Credentials |
|--|--------------|--------------|
| Agriculture and natural resources | 6 | 92 |
| Business management | 17 | 1,912 |
| Business support | 6 | 79 |
| Communications and design | 7 | 389 |
| Computer and information sciences | 13 | 401 |
| Consumer services | 12 | 484 |
| Education | 9 | 414 |
| Engineering, architecture, and science technologies | 8 | 379 |
| Health sciences | 14 | 1,132 |
| Manufacturing, construction, repair and transportation | 10 | 341 |
| Marketing | 5 | 226 |
| Protective services | 9 | 368 |
| Public, legal, and social services | 11 | 206 |
| Any field of study | 25 | 6,423 |

Source: U.S. Dept. of Education, National Ctr. for Education Statistics, Integrated Postsecondary Education Data System (IPEDS)

Mismatch: Education and Work Experience Requirements

The percentage breakout by education requirements and the levels possessed by candidates for advertised jobs was fairly comparable for all education levels except those requiring either college, technical or vocational school and jobs requiring a bachelor's degree. A little over one percent of the jobs stated College, Technical, or Vocational School as a requirement; however, over 21 percent of the candidates possessed this education level. Bachelor's degrees were required on approximately one-third of the jobs, but only 14.9 percent of the candidates obtained a bachelor's degree. Upon closer examination of the numbers, the actual number of potential candidates overwhelmingly exceeded the number of job listings posted for all education levels. Even though the percentage of candidates with bachelor's degrees was lower than the percent of jobs requiring a bachelor's degree, the number of available candidates was more than 8 times the number of job openings.

Education Requirements vs. Education Level on Advertised Jobs

| | Education Requirements On Advertised Jobs | | Education Level of Available Candidates | |
|---|--|---------|--|---------|
| | Job Openings | Percent | Potential Candidates | Percent |
| Not specified | 14,114 | --- | --- | --- |
| No Minimum Education Requirement | 140 | 6.5% | --- | --- |
| Less than High School | 5 | .2% | 2,186 | 5.3% |
| High School Diploma or Equivalent | 889 | 41.0% | 16,431 | 39.9% |
| 1 to 3 Years at College or a Technical or Vocational School | 29 | 1.3% | 8,998 | 21.9% |
| Vocational School Certificate | 56 | 2.6% | 1,921 | 4.7% |
| Associates Degree | 218 | 10.1% | 3,126 | 7.6% |
| Bachelor's Degree | 716 | 33.0% | 6,132 | 14.9% |
| Master's Degree | 100 | 4.6% | 1,843 | 4.6% |
| Doctorate Degree | 13 | .6% | 273 | .7% |
| Specialized Degree (e.g. MD, DDS) | 3 | .1% | 245 | .6% |

Source: HIWI Area Profile, Online Advertised Jobs, June 4, 2012.

Of the advertised jobs that listed work experience requirements, employers generally required less work experience. Over half of the jobs could be performed with two years or less of experience. On the other hand, many potential candidates possessed higher levels of work experience. More than one-third of the candidates were employed for over 10 years. In fact, 58 percent of those seeking employment had worked at least five years. There were far fewer jobs openings for those with at least five years of experience compared to the jobs with less experience requirements. This presents problems for those with greater work experience seeking employment.

Work Experience Requirements vs. Work Experience of Job Seekers on Advertised Jobs

| Minimum Experience | Work Experience Requirements on Advertised Jobs | | Work Experience Levels of Available Candidates | |
|---------------------|---|---------|--|---------|
| | Job Openings | Percent | Potential Candidates | Percent |
| Not Specified | 15,159 | --- | --- | --- |
| Less than 1 Year | --- | --- | 7,630 | 18.5% |
| 1 Year to 2 Years | 573 | 51.0% | 2,525 | 6.1% |
| 2 Years to 5 Years | 449 | 40.0% | 6,925 | 16.8% |
| 5 Years to 10 Years | 90 | 8.0% | 8,760 | 21.3% |
| More than 10 Years | 12 | 1.1% | 15,315 | 37.2% |

Source: HIWI Area Profile, Online Advertised Jobs, June 4, 2012

An analysis of the challenges associated with the state's population attaining the education, skills, and training needed to obtain employment.

As we look towards the challenges facing the education and training needs of the state's future workforce, eight different factors were examined. This includes: cost of living and consumer price index, poverty rates, health coverage, multiple jobholders, labor underutilization, homeownership, electricity consumption, and traffic congestion.

Cost of Living

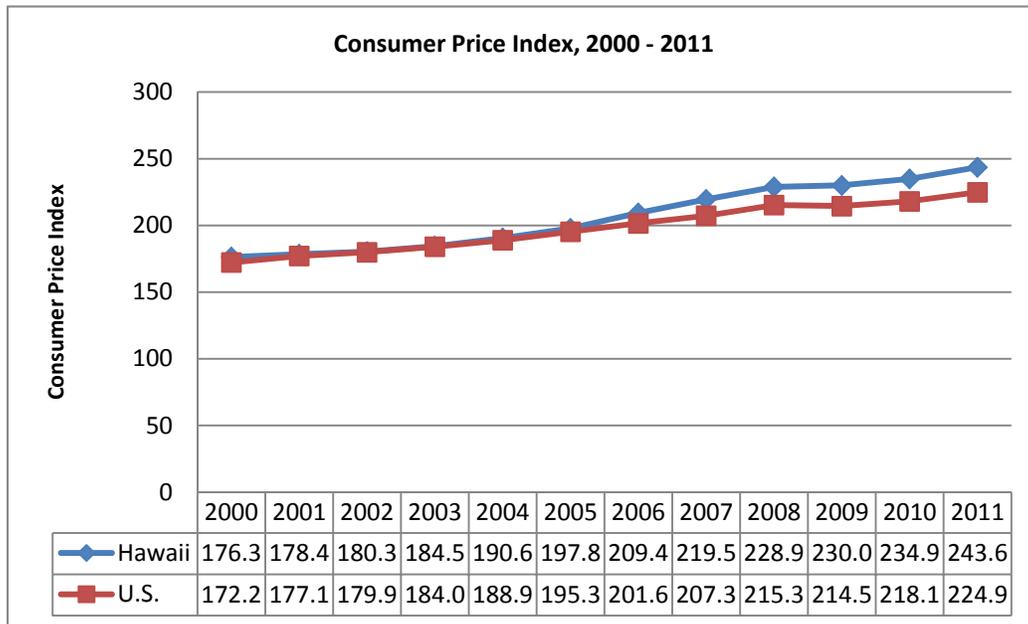
Hawaii's cost of living has always been higher than the United States. As of September 2011, it was indexed at 176.7 compared to a U.S. average of 100. This means that it was more expensive to live in the state than most places in the nation.

| Cost of living | Hawaii | United States |
|----------------------|--------|---------------|
| Overall | 177 | 100 |
| Food | 158 | 100 |
| Utilities | 157 | 100 |
| Miscellaneous | 122 | 100 |

Source: SperlingViews for Hawaii, http://www.bestplaces.net/cost_of_living/state/hawaii, 9/11

Consumer Price Index

Another example of how costly it is for the state's residents is depicted in the consumer price index (CPI) chart below. Between 2000 and 2011, Hawaii's CPI advanced by 38.2 percent compared to the U.S. increase of 30.6 percent.



Source: U.S. Department of Labor, Bureau of Labor Statistics.

Poverty Rates Lower for Hawaii than Nation

People living in poverty face numerous challenges when seeking work. Since those living in poverty tend to reside within close proximity of each other rather than being spread out among geographic areas, the Census Bureau classifies census tracts into four categories based on poverty rate levels. (See table below.) Census tracts with poverty rates of 20 percent or more (tracts in category III and category IV) are referred to as “poverty areas.”

According to data from the American Community Survey, poverty levels in Hawaii were lower when compared to national data. While almost a quarter (23 percent) of the U.S. population resided in poverty areas, only 10.8 percent of Hawaii residents lived in poverty areas. In terms of the states with the lowest percentage of people residing in poverty areas, Hawaii ranks 7th following New Hampshire, Wyoming, Alaska, Maryland, Delaware, and Vermont. At the other end of the spectrum, Hawaii was one of 10 states (Alaska, Connecticut, Hawaii, Maryland, Massachusetts, Minnesota, New Hampshire, New Jersey, Utah, and Wyoming) in which more than three-fourths of the population resided in census tracts with poverty rates less than 13.8 percent.

Distribution of People in Census Tracts by Poverty Levels: 2006-2010

| | Total in All Census Tracts | Category 1 (Less than 13.8%) | Category II (13.8% - 19.9%) | Category III (20.0 - 39.9%) | Category IV (40.0% or more) |
|-------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| U.S. Total | 296,141,149 | 61.4% | 16.0% | 19.1% | 3.5% |
| Hawaii | 1,298,918 | 79.2% | 10.0% | 9.8% | 1.0% |

Source: U.S. Census Bureau, 2006-2010 American Community Survey.

Out of the 314 populated census tracts in Hawaii, 36 census tracts had a poverty rate of over 20 percent. They were located in the following areas: 25 on Oahu, 8 on the Big Island, 1 on Molokai, and 2 on Maui. (See table below) In regards to family poverty rate, 18 census tracts had family poverty rates of over 20 percent. Four of these 18 census tracts with the highest percentage below the poverty level were located on the Big Island and the remainder was located on Oahu.

Persons below the Poverty Level for the State of Hawaii, By Census Tracts

| State/Island | 2010 Census Tract | 2010 Name | Percent | MOE 1/ |
|------------------------|-------------------|------------------------------|-------------|---------------|
| State of Hawaii | | | 9.6% | +/-0.3 |
| Honolulu | 54 | Mayor Wright Housing | 61.2% | +/-15.8 |
| Honolulu | 62.02 | Linapuni Street | 58.7% | +/-19.6 |
| Honolulu | 63.02 | Kalena Drive | 58.2% | +/-11.7 |
| Hawaii | 203 | Hilo: Pu'u'eo-Downtown | 41.8% | +/-7.2 |
| Honolulu | 20.03 | Seaside Avenue | 40.7% | +/-11.9 |
| Honolulu | 57 | Iwilei-Anuenue | 39.2% | +/-10.2 |
| Hawaii | 205 | Hilo: University-Houselots | 37.8% | +/-11.8 |
| Honolulu | 36.03 | Ahana Street | 37.5% | +/-9.6 |
| Honolulu | 39 | Civic Center | 33.6% | +/-19.9 |
| Honolulu | 52 | Chinatown | 31.5% | +/-8.9 |
| Hawaii | 211.06 | Pahoa | 30.7% | +/-8.5 |
| Honolulu | 97.01 | Waianae Kai | 30.1% | +/-8.8 |
| Honolulu | 98.02 | Makaha | 30.1% | +/-8.7 |
| Honolulu | 87.03 | West Loch | 29.1% | +/-7.2 |
| Honolulu | 36.04 | Kaheka Street-Makaloa Street | 28.8% | +/-13.3 |
| Honolulu | 58 | Waiakamilo Road | 28.8% | +/-8.2 |
| Hawaii | 211.01 | Kalapana-Kapoho | 26.4% | +/-8.2 |
| Honolulu | 98.01 | Makua Valley | 25.4% | +/-8.3 |
| Hawaii | 210.05 | Hawaiian Paradise Park | 25.3% | +/-7.5 |
| Maui | 305.01 | Pa'ia | 24.9% | +/-19.0 |
| Maui | 307.10 | Keawakapu | 24.8% | +/-15.7 |
| Honolulu | 51 | Foster Botanical Garden | 24.0% | +/-6.8 |
| Honolulu | 75.04 | Aloha Stadium | 23.8% | +/-8.9 |
| Hawaii | 210.10 | Upper Puna (Puna Mauka) | 23.4% | +/-5.0 |

| State/Island | 2010 Census Tract | 2010 Name | Percent | MOE 1/ |
|--------------|-------------------|-----------------|---------|---------|
| Honolulu | 95.02 | Menohar Street | 22.8% | +/-13.1 |
| Honolulu | 19.03 | Ena Road | 22.4% | +/-10.3 |
| Honolulu | 68.09 | Ala Ilima Makai | 22.4% | +/-9.6 |
| Honolulu | 94 | Wahiawa Makai | 21.9% | +/-7.0 |
| Hawaii | 212.02 | Ka'u | 21.8% | +/-6.0 |
| Honolulu | 113 | Waimanalo | 21.6% | +/-9.2 |
| Honolulu | 96.03 | Maili | 21.0% | +/-6.2 |
| Hawaii | 210.13 | Kea'au | 21.0% | +/-5.7 |
| Honolulu | 26 | Bingham Tract | 20.9% | +/-10.3 |
| Honolulu | 18.01 | Koa Avenue | 20.3% | +/-11.1 |
| Molokai | 318.01 | West Moloka'i | 20.1% | +/-7.8 |
| Honolulu | 62.01 | Kam IV Road | 20.0% | +/-7.0 |

Source: U. S. Census Bureau, American Community Survey, 2006-2010

Health Coverage Widespread Among the State's Residents

A large majority (92.9 percent) of the state's civilian non-institutional population had health insurance coverage. More than three-fourths (78.7 percent) obtained their coverage through private health insurance, while the remainder were covered through a public health insurance plan. The uninsured rate among those less than 18 years old was 2.3 percent. In terms of employer-based health insurance coverage, Hawaii ranked third among the 50 states with the highest rates of coverage for both people who worked full time, year round and those who worked less than full time, year round in 2010 (86.2 percent and 60.6 percent, respectively). Only Massachusetts and New Hampshire had higher rates of coverage. Of those that did not work, 47.2 percent received employer-based health insurance coverage.

Hawaii Health Insurance Coverage Status: Civilian Non-Institutionalized Population 18 Years and Over

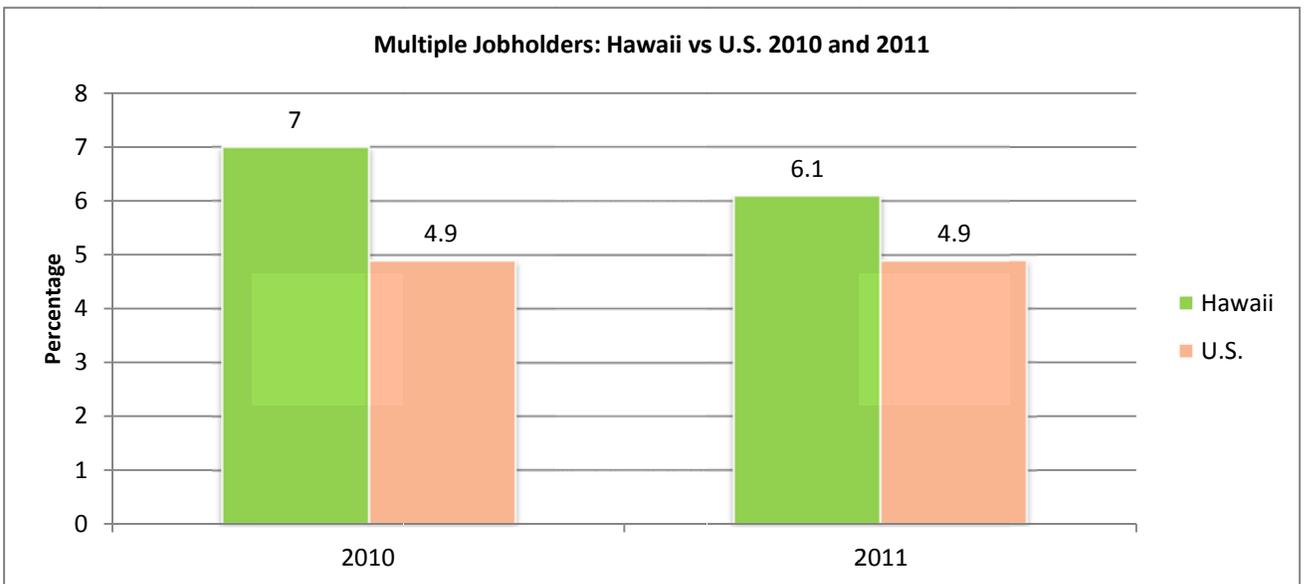
| | |
|--|----------------|
| Total: | 994,430 |
| Worked full-time, year-round: | 451,880 |
| With health insurance coverage | 429,186 |
| With employer-based health insurance | 389,432 |
| With direct-purchase health insurance | 68,773 |
| With Medicare coverage | 16,743 |
| With Medicaid/means-tested public coverage | 14,779 |
| No health insurance coverage | 22,694 |
| Worked less than full-time, year-round: | 246,816 |

| | |
|--|----------------|
| With health insurance coverage | 211,526 |
| With employer-based health insurance | 149,680 |
| With direct-purchase health insurance | 41,411 |
| With Medicare coverage | 23,697 |
| With Medicaid/means-tested public coverage | 27,454 |
| No health insurance coverage | 35,290 |
| Did not work: | 295,734 |
| With health insurance coverage | 270,658 |
| With employer-based health insurance | 139,698 |
| With direct-purchase health insurance | 73,785 |
| With Medicare coverage | 156,598 |
| With Medicaid/means-tested public coverage | 60,287 |
| No health insurance coverage | 25,076 |

Source: U.S. Census Bureau, American Community Survey, 2008-2010, Table B27012

High Rate of Multiple Jobholders in Hawaii

Hawaii's rate of multiple jobholders at 7 percent was tied for 11th highest in the nation in 2010 and fell to 6.1 percent or 16th highest in 2011. Although there was improvement in this rate for 2011, Hawaii still ranks high in terms of those employed in more than one job.



Source: U.S. Census Bureau, Current Population Survey

Labor Underutilization

For 2011, all six of Hawaii’s alternative measures of labor were lower than the average for the nation as a whole. In terms of discouraged workers, the difference between U-3 and U-4, Hawaii is near the middle with a ranking of 21 out of the 50 states. When the marginally attached are added in U-5 and involuntary part-time workers are included in U-6, the difference between the two measures another form of “underemployment.” Hawaii’s ranking drops to 41st in this category.

Alternative Measures of Labor Underutilization, 2011 Annual Average (Percent)

| | U-1 | U-2 | U-3 | U-4 | U-5 | U-6 |
|----------------------|-----|-----|-----|-----|------|------|
| United States | 5.3 | 5.3 | 8.9 | 9.5 | 10.4 | 15.9 |
| Hawaii | 4.5 | 4.2 | 7.3 | 7.8 | 9.0 | 15.1 |

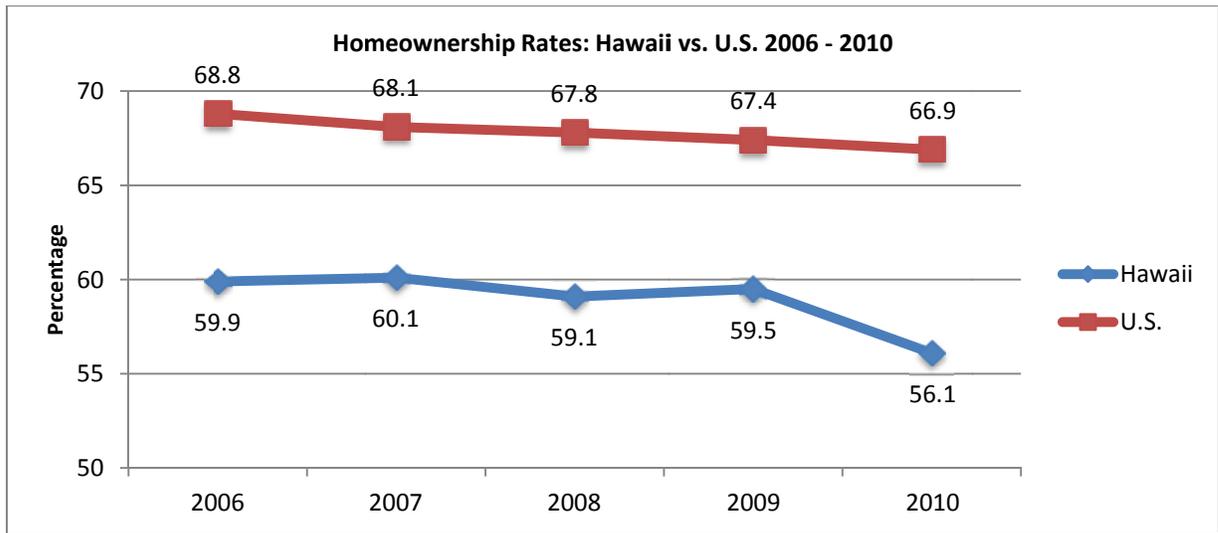
Source: U.S. Bureau of Labor Statistics

Definitions of the six state measures:

- U-1** Persons unemployed 15 weeks or longer, as a percent of the civilian labor force
- U-2** Job losers and persons who completed temporary jobs, as a percent of the civilian labor force
- U-3** Total unemployed, as a percent of the civilian labor force (definition used for the official unemployment rate)
- U-4** Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers
- U-5** Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers
- U-6** Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers

Homeownership Declines

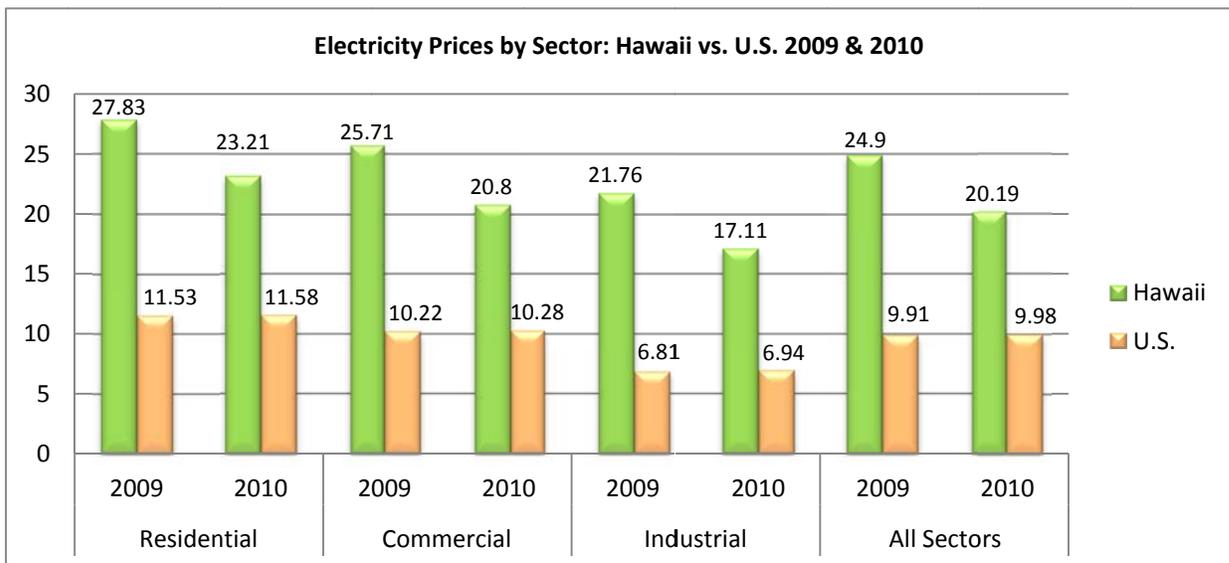
Although homeownership rates for the U.S. and Hawaii have been trending downwards from 2006 to 2010, Hawaii’s rates have remained well below the U.S. and fell further behind in 2010.



Source: U.S. Census Bureau, "Housing Vacancies and Home Ownership."

Electricity Prices Soar

Adding to the high cost of living, Hawaii consumers pay the highest rates of electricity in the nation for all sectors – residential, commercial, and industrial. As Hawaii strives to reach the goal set forth by the Hawaii Clean Energy Initiative of reducing its dependence on imported oil by 70 percent within 20 years, this provides added incentive to develop alternative sources of energy. This could ultimately lead to job creation within the energy sector.



Source: ElectricChoice.com

Honolulu Has Worst Traffic In Nation

According to the Nation's INRIX Index, a key indicator of traffic congestion, in 2011 Honolulu topped the list of worst cities for traffic in America. Residents waste approximately 58 hours per year stuck in traffic.

A discussion of the ability of Integrated Workforce Plan programs to meet the skill needs of employers in the state and close any skill gaps

The Integrated Workforce Plan is designed to identify the needs of employers and gather critical information on skill needs and skill gaps for those industries that have been experiencing economic expansion in the State of Hawaii. The state addresses the skill needs identified by employers through its interaction with educational partners and members of the private industry. Currently, skill gaps are addressed through short-term on-the-job training programs that are available in high growth industries identified in the state.

To address skill gaps in specific targeted industries, the WDC has held a series of employer led industry skill panels that address the short- and long-term skill needs in specific high – growth industries. These panels provide an opportunity for industry leaders, educational entities and government to both discover specific job growth, skill needs, and connecting education and training solutions to those identified needs. These interactions have resulted in a number of new and innovative educational programs in the healthcare field that has begun to narrow the skills gaps discovered in two sessions held in late 2010. The WDC intends to continue to hold skill panel sessions addressing skill gaps in all high-growth industries in the state.

Tools to Assess Employer Skill Needs

We should be better able to determine the skill needs of employers with the advent of more information technology available to the states through programs and tools such as:

- the Business Employment Dynamics (BED) Program, that analyzes longitudinal establishment microdata from the Quarterly Census of Employment and Wages (QCEW) to generate measures of gross job gains and losses and establishment openings, expansions, contractions, and closings
- the Census Bureau’s Local Employment Dynamics (LED) Partnership in which our LMI agency provides establishment and worker Unemployment Insurance (UI) records to Census in exchange for unique, valuable indicators of the “employment flows” in states and areas through Quarterly Workforce Indicators, OnTheMap, and soon, the Job-to-Job Flows tool
- the Census Bureau’s American Community Survey as a key source of workforce information, including TIGER files for geospatial identifiers
- O*NET that is used to translate occupational information into skills information useful for education and training planning
- Use of “real-time” LMI services that regularly scrape electronic job boards to generate highly current job demand, content, and requirements information

Supply-Demand Analysis

Currently our long term job projections are based on historical data, which may not always be good indicators of future job trends. Therefore, we will be partnering with the University of Hawaii to do a supply/demand analysis in order to develop a predictive model to improve our long term projections and better forecast the needs of employers and develop training curriculum and certification.

Workforce Longitudinal Data System

In order to close any skills gaps, the Department of Labor and Industrial Relations recently won approval for a grant proposal to work with state education agencies to link UI data to statewide longitudinal data systems (SLDS) that will allow analysts to see the workforce outcomes of individual education and training programs. This workforce longitudinal data system (WorLDS) will permit the tracking of training participants through various programs by the Workforce Development Division apprenticeship, Department of Human Service, and other non-profit organizations and what kind of jobs these trainees secure upon entering the workforce.

STATE STRATEGIES

The Integrated Workforce Plan must describe the key strategies the state intends to implement, based on its economic analysis, to achieve the governor's vision and goals.

Cross-Program Strategies

The plan must discuss integrated cross-program strategies for specific populations and sub-populations identified in the state's economic analysis, strategies for meeting the workforce needs of the state's employers, and regional and sector strategies tailored to the state's economy.

The Workforce Development Council is composed of representative from:

- Cabinet level directors from the State agencies of labor, human services, economic development, education and the president of the University of Hawaii,
- Private sector representatives, including representatives from the four LWIBs,
- Community-based native Hawaiian organization,
- Labor,
- State House and Senate,
- County Mayors, and
- Governor

The WDC is the aligning entity of Hawaii's workforce development infrastructure. The majority of state and county agencies that directly control the state and federally funded workforce programs are all members of the WDC. Additionally, the WDC has the state mandated statutory responsibility to continuously identify workforce challenges and develop solutions to targeted industry workforce challenges.

In order to better align these workforce programs to meet the current and anticipated needs of Hawaii's private and public sector employers, the WDC has implemented a sector based approach to planning by creating specific employer led Industry Skill Panels.

Industry Skill Panels are private/public partnerships that collaborate to address competitiveness issues by focusing on workforce development. The WDC implemented these sector-based approaches in order to better identify strategic planning issues and make recommendations regarding Hawaii's workforce within specific industries. Participation from employers, educational institutions, economic development organizations, labor organizations, and others ensure that a variety of stakeholder perspectives are represented.

Harnessing the expertise of leaders in business, labor, education, economic development, and other sectors, Skill Panels bring competitors within a specific industry together to collaboratively address critical issues, skill gaps, training needs, and performance outcomes that affect the industry as a whole.

The Industry Skill Panels build consensus, prioritize their specific industry workforce needs by local area, and become better able to mobilize partners and leverage resources to make the greatest economic impact. Additionally, their mutual efforts are more influential with government, businesses, associations, and educational institutions than they would be if trying to fill workforce needs individually within silos.

Partnerships

The plan must include a discussion of key strategic partnerships that are necessary to successfully implement the strategies, specify roles of specific state entities and programs, and discuss how the strategies will meet the needs of employers and of each subpopulation. (WIA Sections 111(d)(2), 112(b)(8), W-P Section 8(c).)

CURRENT PARTNERSHIPS

The Workforce Development Council (“WDC”) has worked closely with the following entities on a wide range of workforce development issues:

- The University of Hawaii Community Colleges (“UHCC”): The WDC and the UHCC have extensively collaborated on a number of Industry Skills Panels that the WDC has held since October 2010. Representatives of the UHCC have been present and active participants at each of the sessions. Each of the sessions for healthcare, software and agriculture were designed to inform the educational component of the state (UHCC) of those issues that those industries have with the skill sets of graduates, and how to improve employment outcomes of recent graduates focused on those industries. This partnership extends through the state level to the local workforce board level as well as to the one-stop systems at the local levels.
- The University of Hawaii is a permanent member of the Workforce Development Council, actively participating in decisions made on the direction of the Council in relation to the University.
- The WDC is a member of the P-20 Statewide Longitudinal Data System Executive Council – The Executive Council is made up of vested interests at the Departments of Labor and Education and the University of Hawaii levels to help develop a true Statewide Longitudinal Data System. The Workforce Development Council is a member of the executive council, with the current Executive Director as the WDC representative on the Council.
- Based off of the College Access Challenge Grant program that the WDC oversaw in its first year of operation. The website is now operationally overseen by ConnectEDU, the company contracted to construct MyFutureHawaii.com, with the program overseen by a council made up of representatives from the Department of Labor, Hawaii P-20 Partnership for Education, the University of Hawaii and State of Hawaii Department of Education. From this, a “MYFUTUREHAWAII.COM” Steering Committee Broad Based College Access System was developed, of which the WDC is a member of the steering committee, housed at the University of Hawaii.

FUTURE PARTNERSHIPS

On October 1, 2012, the WDC and the University of Hawaii Community Colleges signed a two-year agreement in which the WDC will be responsible for implementing portions of a larger C3T grant that the University of Hawaii Community Colleges was awarded in late 2011. The WDC will take the experience it learned from the industry skill panel sessions and create a number of Policy Planning Work Groups (“PPWG”) in the areas of Agriculture, Healthcare and Energy. Each PPWG will consist of a mix of public and private industry-specific employers that will analyze predictive data, review training programs, curricula and provide feedback on UHCC programs with timely and critical information and guidance on industry employment needs.

Another part of the agreement has the Workforce system working directly to recruit 6,000 new participants for trainings that are being developed by UHCC. The WDC, along with the Local Workforce Investment Boards and the Local One-Stop systems across the state, will coordinate statewide efforts between the State of Hawaii’s local

Workforce Investment Boards, One Stop Centers, other state and local agencies that operate job training programs, community based organizations, and other training and educational organizations for recruitment into the Project.

Leveraging Resources

The plan must discuss how the state will coordinate discretionary and formula-based investments across programs and in support of the governor's vision. The state's planned commitment of Federal and non-Federal funds to these investments must be included.

Recognizing the economic reality of dwindling federal and state resources for workforce development, the DLIR, WDC, the University of Hawaii Community College System and the local areas have undertaken a concerted effort to acquire discretionary grants. In general, these efforts have allowed the state to bring in additional resources. However, a positive side effect of this process is the partnership state and county entities (including community based organizations) to better align their workforce development activities. The process of acquiring these grants, as well as the Industry Skill Panels, has actually improved the alignment of "siloes" programs to identify and meet workforce needs.

The WDC has been the catalyst in aligning these programs and will continue to do so.

AGRICULTURE WORKFORCE SKILLS PANEL

In total, five sessions were held throughout the state starting in December, 2011 and ending in June, 2012. The forums were held in Honolulu (December); Hilo, Hawaii (January); Kona, Hawaii (March); Lihue, Kauai (May); and Maui County (June). Approximately 520 individuals attended the five meetings, with number of participants ranging between 100 and 170 people at each. Each forum had break out subcommittees, with planners on each island specifically tailoring the topic of each of the break outs to address specific island-only agriculture issues.

An overwhelming concern of skill panel attendees was on the past work conducted and the inability of the industry to move forward with proposed plans and innovative ideas due to divisions within the industry and other hindrances. In spite of this, the general tone of the meetings was one of collaboration, partnerships, and making more out of less. This coordinated effort has resulted in the development of several working groups to carry on the priorities and actions determined in each breakout session. Some of the post-forum developments include:

- One Island Sustainability on the Big Island of Hawaii has created an online discussion forum through Yahoo! Groups.
- Informal talk-story sessions were developed on the Big Island where interest in an Agricultural Renaissance is a high priority for many residents who overwhelmingly support sustainable practices in farming; and
- Molokai-focused farmer training, partially funded by the State Energy Sector Partnership, will take place later in 2012, with training topics first discussed at the Maui Agriculture Skills Panel session.

With a focus on agriculture through its New Day Plan, Hawaii State Governor Neil Abercrombie has moved ahead with ideas presented at the forums and will propose legislation in 2013. It is the focus of the State of Hawaii to develop agriculture as part of reducing the state's dependence on imports and make Hawaii more food-sustainable.

HEALTHCARE WORKFORCE SKILLS PANEL

The healthcare workforce in Hawaii has reached "critical condition." The State has major industry barriers, including: lack of local training available for specialized occupations, lack of specific labor market information, a high cost of living and transportation that inhibits training (especially on neighbor islands), and rural and isolated areas with limited access to healthcare and high health disparities among certain populations. When comparing to average US healthcare utilization rates, these and other barriers have led to an estimated 30% lack of primary care providers in the State, as well as shortages in many other healthcare occupations.

To address this gap in healthcare services and healthcare workforce opportunities for Hawaii residents, the Workforce Development Council formed industry-specific Skill Panels in Nursing, Long-Term Care, Primary Care and Technical Disciplines, where over 150 participants contributed their time and expertise. These groups have proven to be an ingenious promising practice in which a diverse group of stakeholders collaborate toward desired outcomes. Designed to be action-oriented, there have been a number of "quick wins" from the October and November 2010 sessions, including:

- Development of an innovative RN program for final year nursing students, aimed at reducing the bottleneck and allowing more new RNs to enter high needs fields;
- Deployment of a comprehensive survey to hospitals that will identify advanced practice RN needs based on specialty vacancies and anticipated retirement rates for the coming years;
- Formation of a new panel to address specific workforce readiness solutions for healthcare employers (created after the topic emerged as a major issue in the October Panel); and
- Development of a local training program by an employer-educator team, for a high needs specialty currently unavailable in the state.

Using best practice models and experiences, these Skill Panels have continued collaborating to improve Hawaii's healthcare labor pool by discussing current issues and planning innovative solutions.

SOFTWARE WORKFORCE SKILLS PANEL

The goals of this industry skill panel, held on March 3, 2012, with over 100 software industry leaders, were to promote the State of Hawaii as a center for software development; educate government and community leaders about the importance of the software industry to the local economy and the need for a quality workforce base; work with educational institutions to ensure the Hawaii-based software workforce is being prepared for the "jobs of tomorrow"; and offer solutions and assist with implementation of initiatives that grow Hawaii's software industry.

The issues that emerged from the panel showed the challenges in creating a software industry in Hawaii. Currently, there are about ten times the numbers of declared majors in software development to graduates in Hawaii universities. Upon completion, many who do graduate with a software-focused degree leave Hawaii for higher-paying jobs on the mainland or globally. In Hawaii, there is a lack of internships for software development students. Finally, as with the healthcare Skill Panels "workforce readiness" is a major issue with Hawaii-based software employers.

Following the ending of the meeting on March 31, the Software Industry in Hawaii has been active in putting into action the proposals made at the Skills Panel Meeting. Activities that were spurred by the meetings include the creation of a computer coders committee led by Henk Rogers to prioritize the challenges and solutions from the initial skills panel.

Based on a comment that there is not enough networking in the software industry in Hawaii, a monthly social networking event was created that draws in both seasoned software industry individuals and students aspiring to be

professional software developers. Finally, a tech group, called “Tech Hui”, formed to widen participation beyond the initial skills panel attendees.

The State Plan will require as a condition of approving local area plans, that the local workforce investment boards explore partnerships with mandated and non-mandated one-stop partners to provide for an integrated service delivery model. For example, under the State Energy Sector Partnership and Job Training Grant, the WDC piloted two integrated models of service delivery which allowed different entities to provide case management and job training. In one example, a local non-profit recruited eligible participants and provided basic work readiness training under their own funding stream. The State then utilized the grant funds to provide the job training to the individuals and collectively the non-profit and the state staff worked to place the individuals with employment.

The State Plan will require the local areas to expand on current MOUs and explore and implement these types of partnerships with new partners which will ensure a model that does more than refer entities to other programs.

The plan must also describe how the state will use program funds to leverage other Federal, state, local, and private resources, in order to effectively and efficiently provide services. (WIA Section 112(b)(10).)

The current restrictions on the Governor’s Reserve from 15% to 5% effectively provides very little to no program funds for leveraging purposes.

Policy Alignment

The plan must discuss how the state will align policies, operations, administrative systems, and other procedures to assure coordination and avoid duplication of workforce programs and activities outlined in WIA Section 121(b). (WIA Sections 111(d)(2)(A), 112(b)(8)(A), 121(b), 20 CFR 661.205(b)(1).)

The WDC has and will continue to take a proactive role in ensuring that the local areas present plans and Memorandums of Agreement that specifically detail alignment of policies, operations, administrative systems, and other procedures to ensure coordination and reduce/remove duplication of workforce programs operated by the mandated One Stop Partners.

Through active review and active oversight, the State of Hawaii will continue to evaluate all programs for opportunities to streamline Intake and service delivery from customers across a variety of workforce programs, including WIA, unemployment insurance and other short- and long-term programs. The review will help focus the workforce system toward a coordinated customer-centric focus with full-partner access to both local and statewide programs. Integrated service delivery continues to be a focus for the State of Hawaii as it works to improve both performance and accountability of the entire workforce system, which includes continual elimination of duplicative efforts between partners.

Desired Outcomes

The Integrated Workforce Plan must describe and provide specific quantitative targets for the desired outcomes and results for the programs included in the plan. Table 1 may be used for WIA/W-P programs. The plan should also describe any additional established indicators and system measures, beyond those required by programs' authorizing statutes. (WIA Sections 112(b)(3), 136(b)(1)(A)(ii), (b)(2)(C), 20 CFR 666.110,666.120(g), 666.300.)

Table 1: Optional Table for State WIA/W-P Performance Indicators and Goals

| WIA Requirement at Section 136(b) | PY 2010 Actual Performance | PY2012 Proposed Performance Goal |
|---|----------------------------|----------------------------------|
| Adults: | | |
| Entered Employment Rate | 67.4% | 60.0% |
| Employment Retention Rate | 88.3% | 85.0% |
| Average Six-Months Earnings | \$11,550.00 | \$11,200 |
| Certificate Rate | 60.3% | 57.0% |
| Dislocated Workers: | | |
| Entered Employment Rate | 72.9% | 68.0% |
| Employment Retention Rate | 90.6% | 86.0% |
| Average Six-Months Earnings | \$15,853.60 | \$14,750 |
| Certificate Rate | 66.8% | 63.0% |
| Youth, Aged 19-21: | | |
| Entered Employment Rate | 50.0% | 50.0% |
| Employment Retention Rate | 66.7% | 69.0% |
| Six-Months Earnings Change | \$3,221.80 | 2,052 |
| Certificate Rate | 25.0% | 38.0% |
| Youth, Aged 14-18: | | |
| Skill Attainment Rate | 46.2% | 46.0% |
| Diploma or Equivalent Attainment Rate | 65.7% | 78.0% |
| Retention Rate | 87.5% | 35.0% |
| Youth Common Measures: | | |
| Placement in Employment or Education | n/a | n/a |
| Attainment of a Degree or Certificate | n/a | n/a |
| Literacy and Numeracy Gains | n/a | n/a |
| Customer Satisfaction: | | |
| Participant Customer Satisfaction | 97.68% | 97.68% |
| Employer Customer Satisfaction | 86.44% | 86.44% |
| Additional State-Established Measures: | | |
| % of population served by local areas that are trained and/or placed in industries prioritized by local workforce investment boards | n/a | n/a |
| # of Participants served that received services from two or more mandated One Stop partners | n/a | n/a |

| W-P Requirement at Section 13(a) | Previous Year Performance | Performance Goal |
|---|---------------------------|------------------------|
| Entered Employment Rate Employment Retention Rate Average Six-Months Earnings | 45% 78% \$12,320 | 45% 78% \$12,320 |