

COMPREHENSIVE STATE PLAN FOR WORKFORCE DEVELOPMENT
STATE OF HAWAII 2009-2014



ANNUAL REPORT
TO THE GOVERNOR

YEAR FOUR

NEIL ABERCROMBIE
GOVERNOR



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February 10, 2012

The Honorable Neil Abercrombie
Governor, State of Hawaii
Executive Chambers, State Capitol
Honolulu Hawaii 96813

Dear Governor Abercrombie:

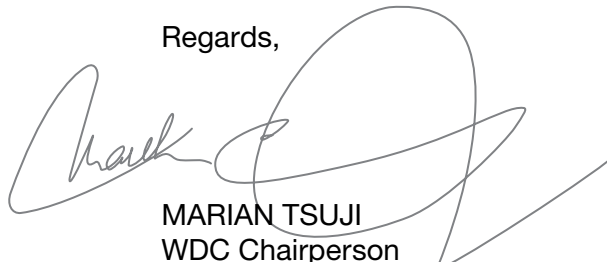
We are pleased to submit the Workforce Development Council's *Comprehensive State Plan for Workforce Development—Year Four Report*. As in prior years, the health of Hawaii's economy and the strength of the workforce that supports it remain of primary importance for the state. Through the various workforce development programs outlined in this report, the Workforce Development Council and the entire workforce development infrastructure continues to work toward its dual goals of getting Hawaii's unemployed residents back to work and getting its employed workers up to speed in their rapidly-evolving industries.

Herein you will find the latest progress in our efforts to execute the recommendations specified at the outset of the Comprehensive State Plan for Workforce Development in 2009 (p. 24). You'll also find sections outlining the state's current labor analysis (p. 6), short- and long-term economic forecasts (p. 9), updated summaries of grant developments, Skill Panel meetings, and strategic reports (p. 14), and a snapshot of the performance results achieved in the past year through Hawaii's Workforce Investment Act job training programs (p. 29).

The year has shown both progress and refinement in key areas of the state plan. Through ongoing collaboration efforts and both interagency and public-private partnerships, as well as the continuation of industry-specific Skill Panel meetings and targeted job training and workforce efforts, the recommendations from 2009 continue to move forward despite challenging economic times and diminishing funding streams. **In full support of the New Day Plan, we continue to focus our energies on job growth, education and skills development, and the well-being of the people of Hawaii.**

We look forward to your review and feedback.

Regards,



MARIAN TSUJI
WDC Chairperson

ABOUT THE WDC

The Hawaii Workforce Development Council (“WDC”) is comprised of 31 private and public-sector members appointed by the Governor. The members provide direction to the State’s workforce development efforts, and support the best use of resources for those purposes.

The federal Workforce Investment Act of 1998 mandates a state council and Local Workforce Investment Boards (“LWIBs”). Each county’s LWIB has a private-sector driven council and provides WIA funds for operation of One-Stop Centers on six islands.

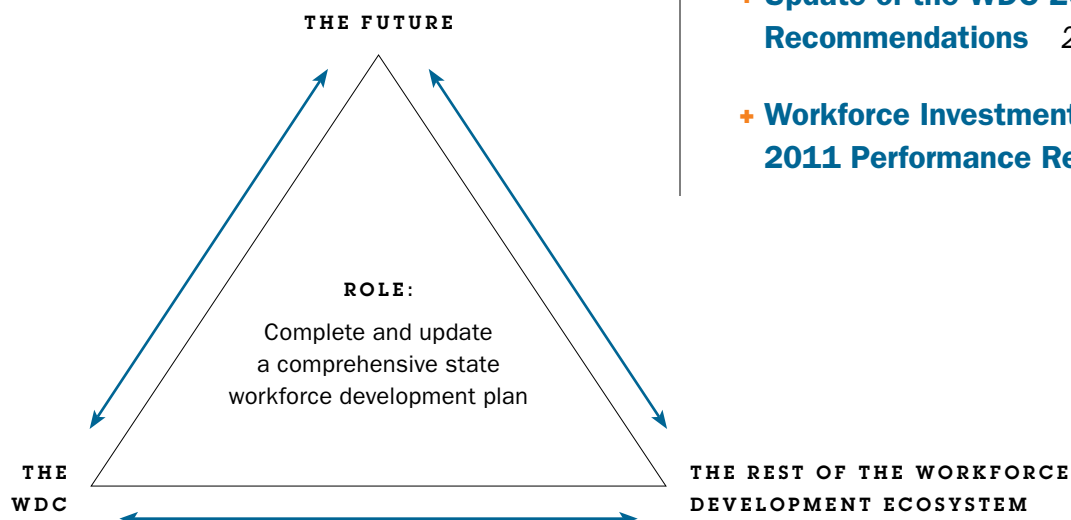
The WDC also is a conduit for federal monies targeted for specific workforce development programs. Through various departments in the federal government, including the Department of Labor, Department of Health and Human Services and Department of Energy, the WDC has sought and been awarded a number of federally funded grant opportunities.

The WDC Vision

The WDC envisions a globally competitive and skilled workforce that promotes and nurtures a diverse and prosperous economy and preserves the special quality of life in Hawaii.

The WDC Mission

The WDC promotes and facilitates the development of a skilled workforce that meets the needs of business and industry, enhances workplace productivity, and increases opportunities for high-wage employment and entrepreneurship.



WORKFORCEDEVELOPMENT COUNCIL

*Comprehensive State Plan for Workforce Development
Annual Report to the Governor—Year Four*

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Designee: Joyce Bellino

BERNARD P. CARVALHO, JR.

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Designee: Jan Miyamoto, WIA Administrator,
Kauai Workforce Investment Board

ALAN ARAKAWA

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Maui Workforce Investment Board

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JILL TOKUDA

State Senator

KARL RHOADS

State Representative

RYAN YAMANE

State Representative

RICHARD LIM

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Economic Development and Tourism
Designee: Wayne Thom

PAT McMANAMAN

Director, Department of Human Services
Designee: Geneva Candean

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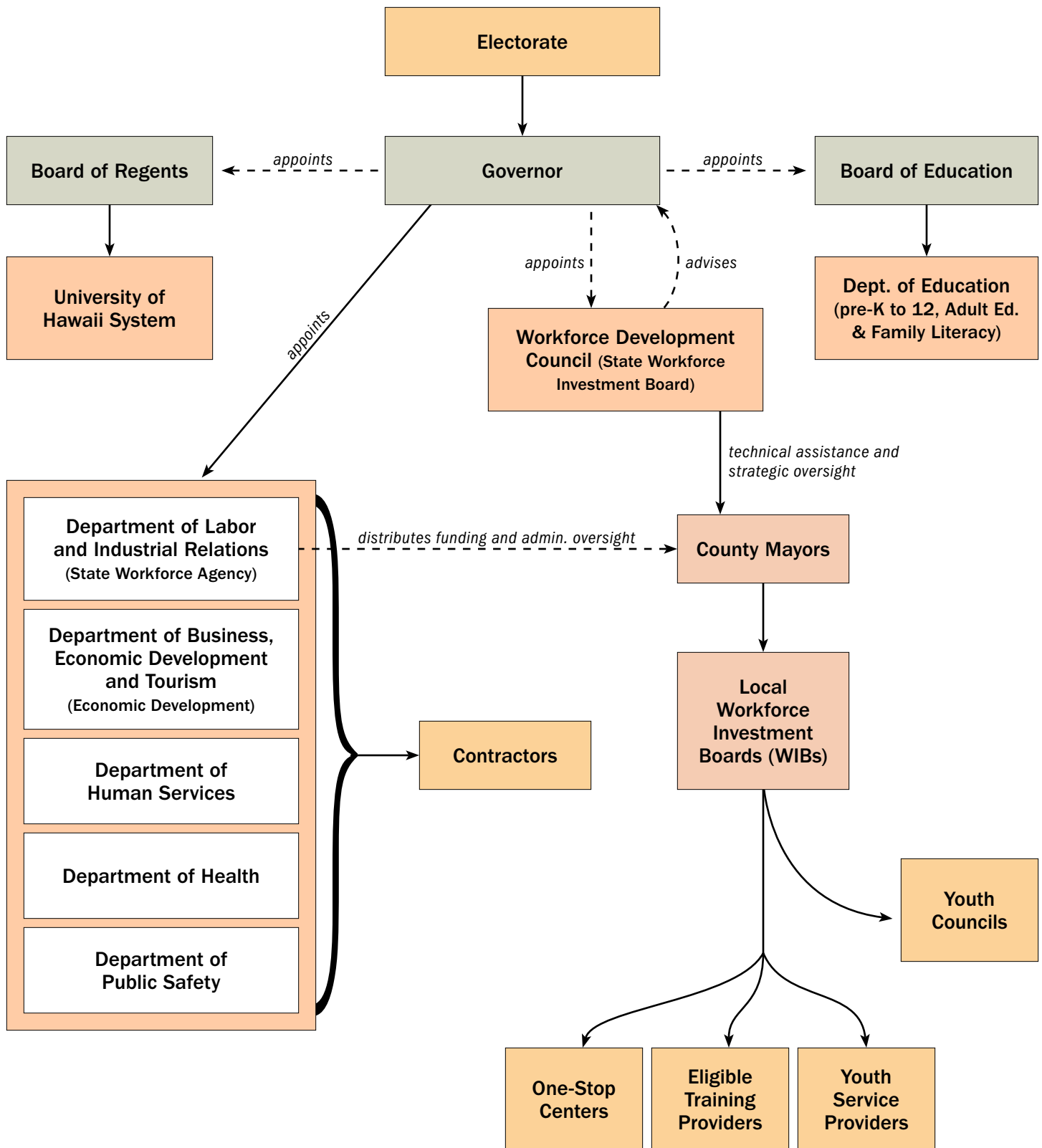
RUTH CALDWELL—Healthcare Program Specialist

STAN FICHTMAN—Employment Analyst

ERIC BUTLER—SESP Program Specialist

BILL PIERPONT—Financial Grant Specialist

HAWAII'S PUBLIC WORKFORCE INFRASTRUCTURE



Executive Summary

2012 marks the Fourth Year of the Comprehensive Hawaii State Plan for Workforce Development 2009–2014.

Hawaii's economy is expected to continue positive growth into 2012. Overall, Hawaii's economy measured by real GDP is projected to show a 1.7 percent increase in 2012, after a projected 1.4 percent increase in 2011. Forecasts also show an overall job growth of 1.8 percent going into 2013, followed by another 1.5 percent in 2014. Construction and extraction jobs are slated to expand the most rapidly, followed by jobs in leisure and hospitality.

For long term growth, between 2008 and 2018, statewide employment is projected to expand 7.1%, or 0.7% per year on average. Highlights include growth in education and health care (15.8%), construction (7.9%), professional/business services, large trade/transportation and utilities (6.9% and 6.2%) and hospitality (4.3%). Contractions are expected in the information (1.2%) and natural resources and mining (0.9%) sectors.

WDC Highlights

+ WDC moves toward sector-based planning

This is an attempt to improve upon our ability to advise the Governor and the Legislature regarding specific issues related to workforce development for specific industries. In late 2010, the WDC established **Statewide Health Care Industry Skill Panels** with employers, labor, economic development boards, non-profits, and educators focusing on 1) Long Term Care, 2) Nursing, 3) Technical Disciplines, and 4) Primary Care.

The goals of the Panels are to resolve a communication gap with the University of Hawaii and industry, meet employer labor needs in a 12 to 18 month time frame, and to address long term labor needs for the industry.

Other industries, noting the success of this Skills Panel, have approached the WDC to organize skills panel forums in industries such as software developers and media production.

+ Green Workforce Report, Initial Labor Market Analysis Report

The WDC funded an initial analysis of green industries and occupations. Findings include a nearly 44% increase in green jobs from 1998 to 2007, and green jobs continue to grow more quickly than total jobs. There are three categories of jobs. "Green Increased Demand" are entry-level jobs that

require basic skills; "Green Enhanced Skills" include traditional job-specific skills and credentials with "an aspect" of green added; and "Green New and Emerging" are new categories with specific skills, knowledge and credentials required. A number of recommendations were offered to increase information and intelligence about green jobs and industries in Hawaii.

+ \$6 Million State Energy Sector Partnership and Job Training Grant

Acquired from USDOL, this project is focused on developing green industries in Hawaii and in providing incumbent workers with cutting-edge, green-focused skills training. The project provides participants with long-term career development opportunities in green industries and industries with a "green layer."

+ \$1.247 Million "Green Jobs" Labor Market Improvement Grant

Acquired from the USDOL to assist in the statewide transformation to become 70 percent reliant on renewable energy by 2030. The grant will provide energy sector participants the best available and reliable Labor Market Information for existing industries and sectors, and for those that are emerging. Products will include occupation and skills reports for industries, industry-sectors, State and local areas; a green sector Web site; asset map of green employers and training providers; new career pathways and rapid reemployment tools; and training and awareness activities.

+ \$158,000 Healthcare Workforce Planning Grant

The US Department of Health and Human Services funded grants to 25 states to plan for healthcare workforce needs for 2010 to 2020. Goals include: determining workforce shortages; developing the top 25 high-need healthcare occupations; creating an asset map of education and training resources; developing a standard data set for collecting data; and developing and disseminating a Hawaii State Comprehensive Healthcare Workforce Development Plan. Five WDC members are on the Planning Committee, and many other stakeholders will participate in the planning process. Skill Panel activity will substantially contribute to the Plan.

+ \$330,000 College Access Challenge Grant

The Workforce Development Council along with P-20 Partnership for Education at the University of Hawaii and the State Department of Education implemented the grant in August 2010. The grant was to establish a student and

adult learner web portal. During 2010–2011 timeframe, the WDC contracted with ConnectEDU, a company who designs education-student web portals, to create and execute on the new Hawaii portal. The portal, named “MyFutureHawaii.org,” went live with 21 HDOE schools in early 2012. Prior to this, the WDC transferred grant management to the University of Hawaii in mid-2011 to help oversee the next phase of the web portal development.

+ Local Workforce Investment Board (“LWIB”) Reports

LWIBs are private-sector driven groups in each of Hawaii’s four counties. LWIBs determine workforce development needs at the local level, and operate the One-Stop Centers that offer comprehensive services to businesses and job seekers. They are funded primarily by WIA grants. During PY 2009 and part of PY 2010, LWIBs received ARRA funds that allowed them to expand or add programs needed by their communities.

+ WDC Recommendations and Focus Areas

In 2009 the WDC released the Hawaii State Comprehensive Workforce Development Plan for 2009–2014. 2012 is Year Four of the Plan, and there has been progress in each of the four focus areas:

Recommendation 1: Improve the delivery of timely education and training to prepare current and future workers for high-skill occupations.

Recommendation 2: Focus more attention on upgrading the skills of incumbent workers.

Recommendation 3: Expand the labor pool in the face of a long-term labor shortage.

Recommendation 4: Address the need for workforce housing.

+ WIA Performance Measures

The Workforce Investment Act of 1998 (“WIA”) led to the creation of Hawaii’s four local area one-stop delivery systems—Oahu WorkLinks, Kauai WorkWise, WorkSource Maui and Big Island Workplace Connection. As part of Hawaii’s workforce development system, these entities are designed to:

- Offer comprehensive employment, labor market and career information;
- Help individuals gain employability skills through targeted education and training;
- Help jobseekers and employers connect;
- Provide specialized assistance to individuals with barriers to employment;
- Assist businesses address workforce issues; and, overall;
- Offer services and information in an integrated and customer-driven atmosphere.

The networks of the four one-stop delivery systems extend beyond 14 physical locations through outreach staff for special populations and businesses. The four one-stop delivery systems are also supported by HireNet Hawaii, a virtual resource offering a wide variety of core employment services from any location with internet access. They are operated by four local workforce investment boards (“LWIBs”) and work with networks of partners including the state-level Workforce Development Council (“WDC”) and the State Department of Labor and Industrial Relations (“DLIR”).

Funding from the federal WIA Title I-B program supports statewide and local area activities that improve the workforce system and deliver services to adults, dislocated workers, and eligible youth.

The Economic Outlook for Hawai'i

For the 4th Quarter 2011

Based on the most recent development in the national and global economy, the performance of Hawai'i's tourism industry, the labor market conditions in the state, and growth of personal income and tax revenues, Hawai'i's economy is expected to continue positive growth for the rest of 2011 and into 2012. Overall, the current DBEDT forecast is more optimistic compared with the previous forecast.

Hawai'i's economy depends significantly on conditions in the U.S. economy and key international economies, especially Japan. According to the November 2011 *Blue Chip Economic Consensus Forecasts*, U.S. real GDP is expected to increase by 1.8 percent in 2011 as a whole, same as the growth rate projected in the August 2011 forecast. However, for 2012 the consensus forecast expects an overall 2.1 percent growth in U.S. real GDP, lower than the 2.5 percent growth rate projected in the August 2011 forecast.

Forecasts for Japan were unchanged in 2011 but revised downward for 2012 in the November 2011 *Blue Chip Economic Consensus Forecasts*. Real GDP growth for Japan is now expected to decrease 0.6 percent in 2011, same as the decrease projected in the August 2011 forecast. However, for 2012, the consensus forecast now expects an overall 2.2 percent growth in Japanese real GDP, lower than the 3.1 percent growth projected in the August 2011 forecast.

For the local economy, DBEDT expects that most of the economic indicators, especially personal income, will grow at faster rates compared with previously forecasted.

Overall, Hawai'i's economy measured by real GDP is projected to show a 1.4 percent increase in 2011, up 0.1 percentage point from the 1.3 percent growth forecast last quarter. That growth is currently expected to increase to 1.7 percent in 2012, slightly lower than the previous forecast.

Visitor arrivals are expected to increase 2.5 percent in 2011, 0.5 of a percentage point lower than the

previous forecast of 3.0 percent. The forecast for visitor days in 2011 is now expected to increase 4.0 percent, 0.4 percentage point lower than the previous forecast. The forecast for visitor expenditure in 2011; however, is revised upward to 13.1 percent, from 12.0 percent growth projected in the previous forecast. For 2012, the growth rates of visitor arrivals, visitor days, and visitor expenditures are now expected to be 3.4 percent, 3.0 percent, and 5.6 percent, respectively.

The projection for wage and salary jobs in 2011 changed from a 1.5% growth in the previous forecast to a 1.3% growth in the current forecast. In 2012, jobs are now projected to increase 1.6%—0.2 percentage points lower than the previous forecast.

The Honolulu Consumer Price Index (CPI), which increased 3.5 percent in the first half of 2011, is expected to increase 3.3 percent in 2011, 0.3 percentage point higher than the previous forecast. In 2012, the CPI is projected to increase 2.8 percent.

Personal income in current dollars is expected to grow 4.6 percent in 2011, 0.8 percentage point higher than the growth in the previous forecast. Due to higher projected inflation, the real personal income is currently projected to grow 1.3 percent in 2011, 0.5 percentage point above previous forecast. In 2012, current-dollar personal income and real personal income are expected to increase 4.0 percent and 1.2 percent, respectively.

Beyond 2012 the economy will be on the expansion path with job growth of 1.8 percent in 2013 and 1.5 percent in 2014. Visitor arrivals are expected to increase 2.0 percent in 2013 and 2.2 percent in 2014. Visitor expenditures are expected to increase 4.5 percent in 2013 and 4.4 percent in 2014. Real personal income is projected to increase 2.0 percent in 2013 and 2.4 percent in 2014. Hawai'i's real GDP growth is expected to reach 2.0 percent in 2013 and 2.2 percent in 2014.

✦ **An analysis by the Department of Business, Economic Development and Tourism (DBEDT)**

Current Hawai'i Workforce Analysis

A comprehensive analysis of the makeup of the current Hawaii workforce has found that while Hawaii has a high level of college graduates in the population (fig. 1), it is largely due to the in-migration of educated individuals from outside the state. The percentage of the population who are born in Hawaii and have associate's or bachelor's degrees is, in fact, lower than the national average (figs. 2, 3). In addition, workers in Hawaii—whether they were born in Hawaii or not—who have earned bachelor's, graduate or professional degrees earn an average of \$5,000–\$6,000 less per year than the U.S. average for that education level (fig. 4, next page).

The cause of this income gap is likely due to the mix of job demands and skills necessary for jobs in Hawaii. The income disparity might also be due to Hawaii's ranking near the bottom of states on the State New Economy Index (fig. 5, next page). The State New Economy Index measures the extent to which a state's economy is knowledge-based, globalized, entrepreneurial, IT-driven and innovation-based. A state that has a strong economy by this measure tends to have a highly educated workforce with high personal income per capita.

For more information on this data, along with a video presentation analyzing Hawaii's workforce in greater detail, please visit the WDC website at:

<http://hawaii.gov/labor/wdc/wdc-links/local-area-workforce-investment-boards-lwibs>

Figure Data Sources

Fig. 1: NCHEMS

Fig. 2, 3, and 4: U.S. Census Bureau, 2009 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File

Fig. 5: The Kauffman Foundation

Figure 1.
Is Hawaii benefitting from the migration of college graduates?
Recent Annual Degree-Production and Migration Patterns

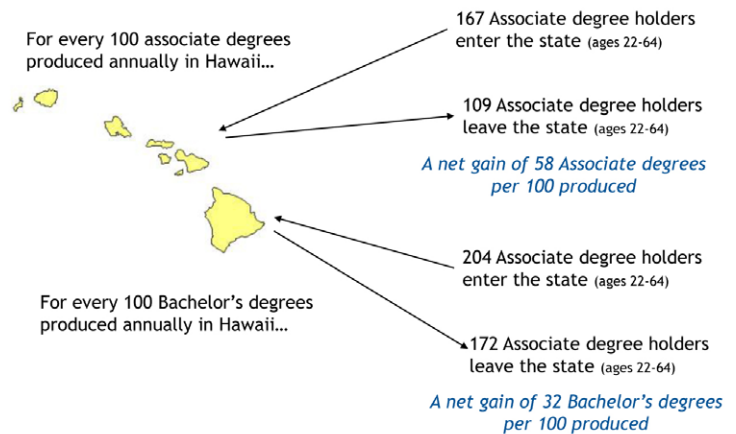


Figure 2.
Percent of Population with an Associate's Degree who are State Natives, 2009

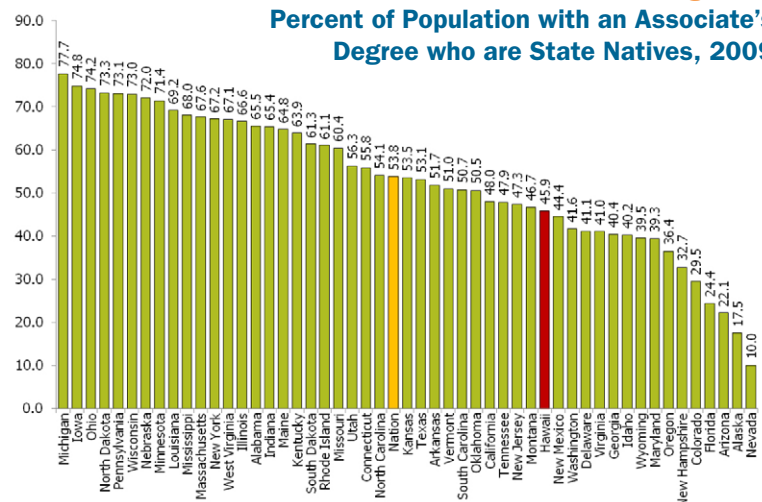


Figure 3.
Percent of Population with a Bachelor's Degree who are State Natives, 2009

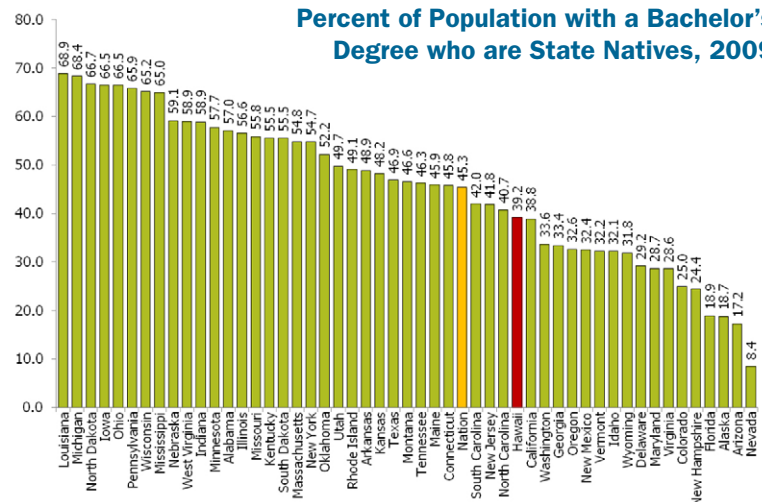


Figure 4.
Median Annual Wages for Employed Workers Age 25 to 64, by Level of Education, 2009

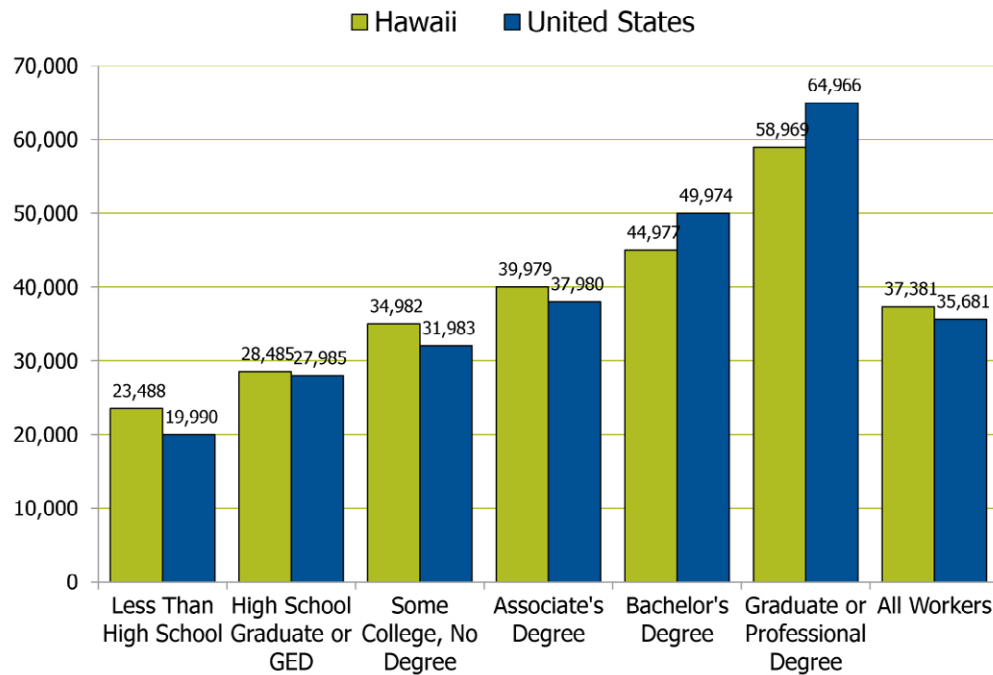
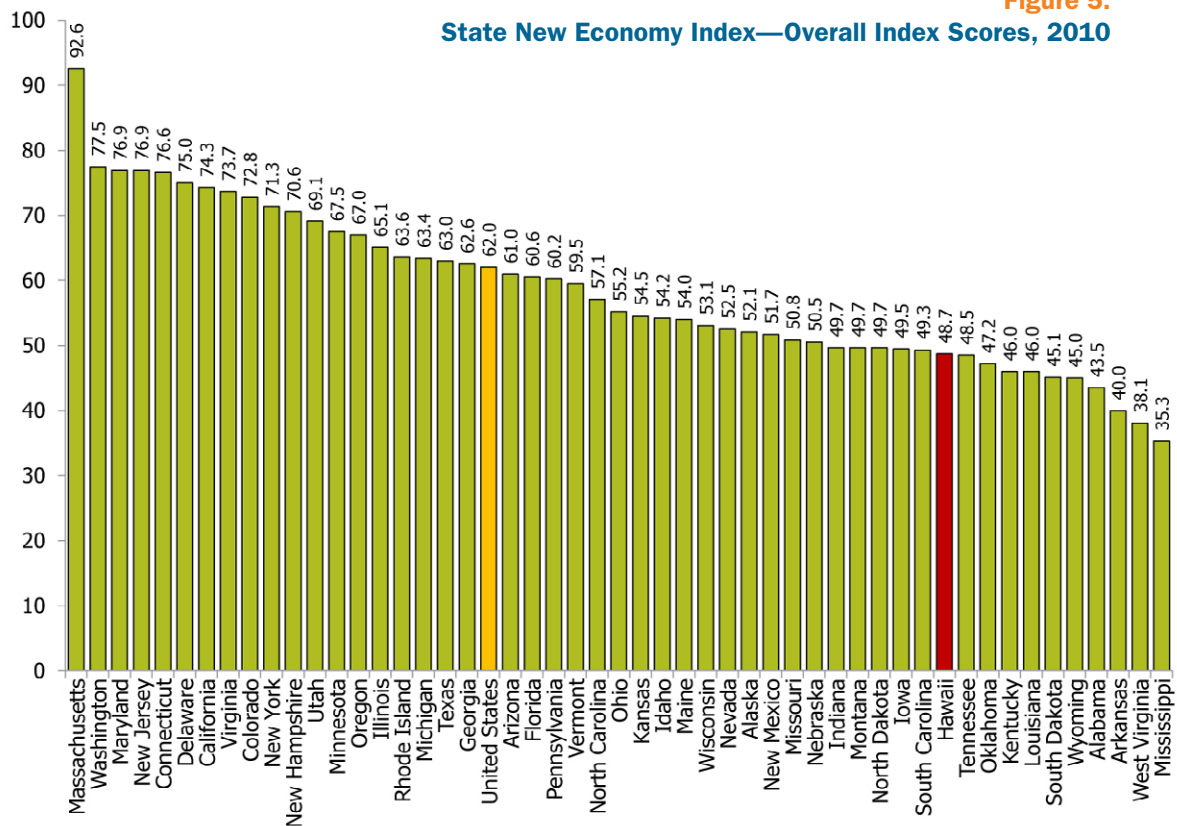


Figure 5.
State New Economy Index—Overall Index Scores, 2010



Source: The Kauffman Foundation

Employment Forecasts—Short Term

Analysis by DLIR, Research and Statistics Office

On the Industry Side . . .

- Leisure and hospitality is forecasted to grow by 4.0 percent from 2010 to 2012, creating 4,010 more jobs. Both the accommodation and food services sectors are expected to be strong.
- The largest industry, education and health services, is anticipated to produce the greatest net job growth with 4,740 jobs during the 2-year projection period. This 3.9 percent increase will be shared between educational services and health care and social assistance.
- Trade, transportation, and utilities is poised to add 4,110 jobs in the 2-year forecast period, for a 3.7 percent gain. Retail trade, the largest sector of that industry, will provide the greatest number of new jobs but the transportation and warehousing sector will grow at the fastest rate.
- Construction is expected to experience an upturn following years of heavy job losses. Forecasted growth of

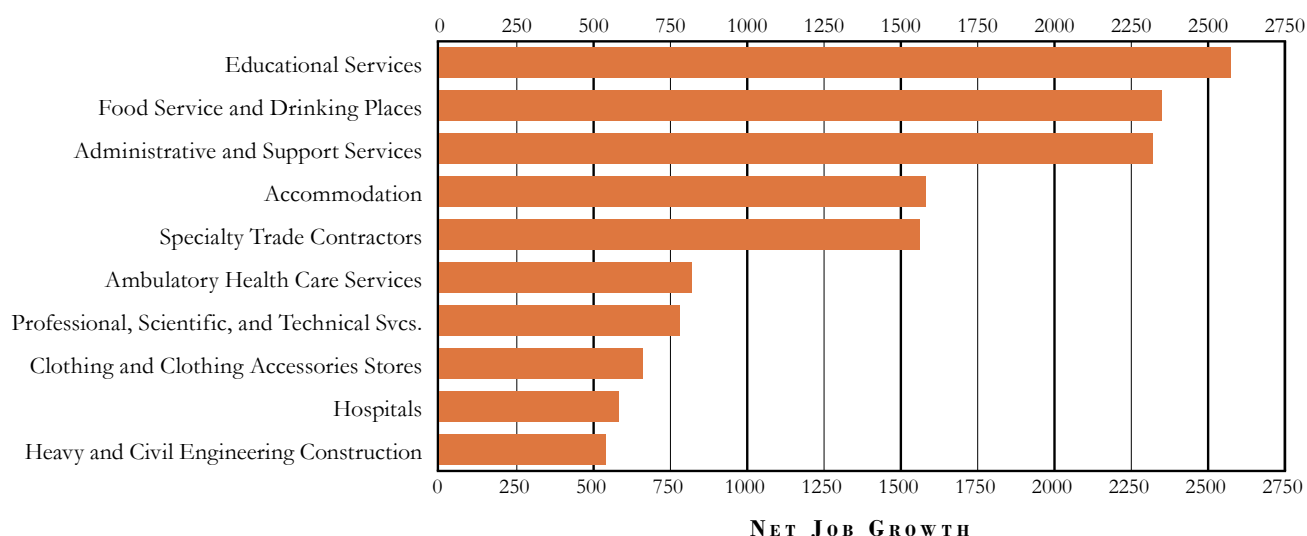
9.2 percent over the 2-year period makes this industry the fastest growing by far. Government contracts for rail-related projects will spur job creation in this industry, while the number of private contracts remains low.

On the Occupational Side . . .

- Construction and extraction jobs are slated to expand the most rapidly with 6.9 percent growth between 2010 and 2012. Following with 4.3 percent forecasted growth are the education, training, and library; and food preparation and serving related groups.
- The food preparation and serving related group is also projected to add the greatest number of jobs during the 2-year period with 2,940.
- Office and administrative support occupations, the largest occupational group, will grow slower than average at a rate of 2.4 percent over the 2-year period.

SHORT TERM FORECAST

Industry Sub-Sectors with the Highest Net Job Growth, 2010–2012, State of Hawaii



A listing of DLIR-RSO Short and Long Term Projections can be found online at www.hawaii.gov/labor/rs

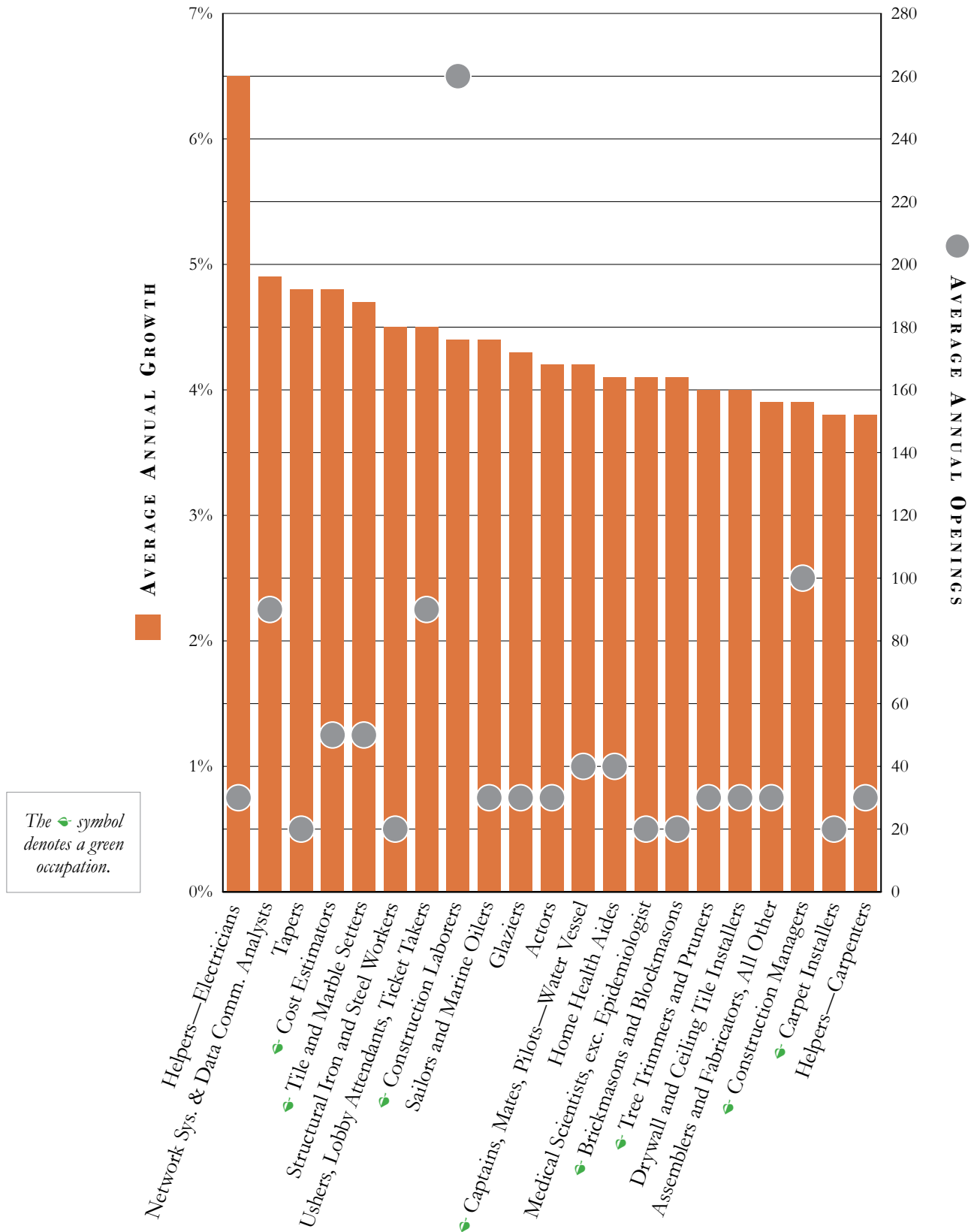
SHORT TERM FORECAST

Statewide Industry Employment and Growth, 2010–2012

| INDUSTRY TITLE | EMPLOYMENT | | GROWTH | | AVERAGE ANNUAL GROWTH |
|---|------------|---------|--------|-------|-----------------------------|
| | 2010 Q3 | 2012 Q3 | NET | % | |
| TOTAL EMPLOYMENT, ALL JOBS | 643,000 | 665,840 | 22,840 | 3.6% | 1.8% |
| NATURAL RESOURCES AND MINING | 6,300 | 6,400 | 100 | 1.6% | 0.8% |
| Agriculture, Forestry, Fishing, and Hunting | 5,970 | 6,060 | 90 | 1.5% | 0.8% |
| Mining | 330 | 340 | 10 | 3.0% | 1.5% |
| CONSTRUCTION | 28,390 | 31,000 | 2,610 | 9.2% | 4.6% |
| MANUFACTURING | 12,760 | 13,290 | 530 | 4.2% | 2.1% |
| TRADE, TRANSPORTATION, AND UTILITIES | 109,630 | 113,740 | 4,110 | 3.7% | 1.9% |
| Wholesale Trade | 17,720 | 18,250 | 530 | 3.0% | 1.5% |
| Retail Trade | 65,530 | 67,690 | 2,160 | 3.3% | 1.6% |
| Transportation and Warehousing | 23,140 | 24,460 | 1,320 | 5.7% | 2.9% |
| Utilities | 3,230 | 3,340 | 110 | 3.4% | 1.7% |
| INFORMATION | 9,870 | 10,180 | 310 | 3.1% | 1.6% |
| FINANCIAL ACTIVITIES | 26,770 | 27,270 | 500 | 1.9% | 0.9% |
| Finance and Insurance | 15,420 | 15,590 | 170 | 1.1% | 0.6% |
| Real Estate and Rental and Leasing | 11,350 | 11,690 | 340 | 3.0% | 1.5% |
| PROFESSIONAL AND BUSINESS SERVICES | 71,720 | 75,200 | 3,480 | 4.9% | 2.4% |
| Professional, Scientific, and Technical Services | 23,920 | 24,700 | 780 | 3.3% | 1.6% |
| Management of Companies and Enterprises | 6,580 | 6,880 | 300 | 4.6% | 2.3% |
| Administrative & Support and Waste Management & Remediation Services | 41,220 | 43,620 | 2,400 | 5.8% | 2.9% |
| EDUCATION AND HEALTH SERVICES | 122,220 | 126,960 | 4,740 | 3.9% | 1.9% |
| Educational Services | 56,460 | 59,040 | 2,580 | 4.6% | 2.3% |
| Health Care and Social Assistance | 65,760 | 67,920 | 2,160 | 3.3% | 1.6% |
| LEISURE AND HOSPITALITY | 100,590 | 104,600 | 4,010 | 4.0% | 2.0% |
| Arts, Entertainment, and Recreation | 10,410 | 10,490 | 80 | 0.8% | 0.4% |
| Accommodation and Food Services | 90,180 | 94,110 | 3,930 | 4.4% | 2.2% |
| OTHER SERVICES (EXCEPT GOVERNMENT) | 24,050 | 24,600 | 550 | 2.3% | 1.1% |
| GOVERNMENT | 75,450 | 75,460 | 10 | 0.0% | 0.0% |
| Federal Government | 34,400 | 34,210 | -190 | -0.6% | -0.3% |
| State Government, excluding Education and Hospitals | 21,950 | 21,960 | 10 | 0.0% | 0.0% |
| Local Government | 19,090 | 19,290 | 200 | 1.0% | 0.5% |
| TOTAL SELF-EMPLOYED AND UNPAID FAMILY WORKERS, PRIMARY JOB | 55,240 | 57,140 | 1,900 | 3.4% | 1.7% |

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

Fastest Growing Occupations, 2010–2012, State of Hawaii



Employment Forecasts—Long Term

Analysis by DLIR, Research and Statistics Office

Statewide employment is projected to expand by 7.1 percent, from 685,950 in 2008 to 734,790 in 2018, resulting in a gain of 48,840 jobs. Averaged over the ten-year period, this amounts to about 0.7 percent job growth each year. This forecast improves on a projected 4.5 percent increase for the previous ten-year period from 2006 to 2016. Highlights of the long term employment forecast include:

- + **Education and health services** is expected to lead the recovery with 15.8 percent growth as the health care and social service industries experience significant job expansion. The **Other Services** sector is expected to follow with 12.4 percent growth.
- + **Construction** is expected to improve with a 7.9 percent increase in jobs.
- + **Professional and business services** and the **large trade, transportation, and utilities industry** are projected to expand by 6.9 and 6.2 percent, respectively, while **leisure and hospitality** may grow by 4.3 percent.

- + **Information** is projected to experience the most job loss, with a 1.2 percent decline. **Natural resources and mining** may also lose jobs, with a forecasted 0.9 percent dip.

In view of specific occupations, the long term projections are as follows:

- + **Personal care and service occupations** are expected to lead growth with 20.4 percent.
- + **Healthcare support** will expand significantly by 19.0 percent, followed by **healthcare practitioners and technical occupations** with 15.0 percent growth.
- + In terms of net growth, **education, training, and library occupations** may see large increases, expanding by 5,990 jobs or 12.8 percent.
- + Only two groups are anticipated to contract—**legal occupations** down by 0.6 percent and **architecture and engineering occupations** decreasing by 0.5 percent.

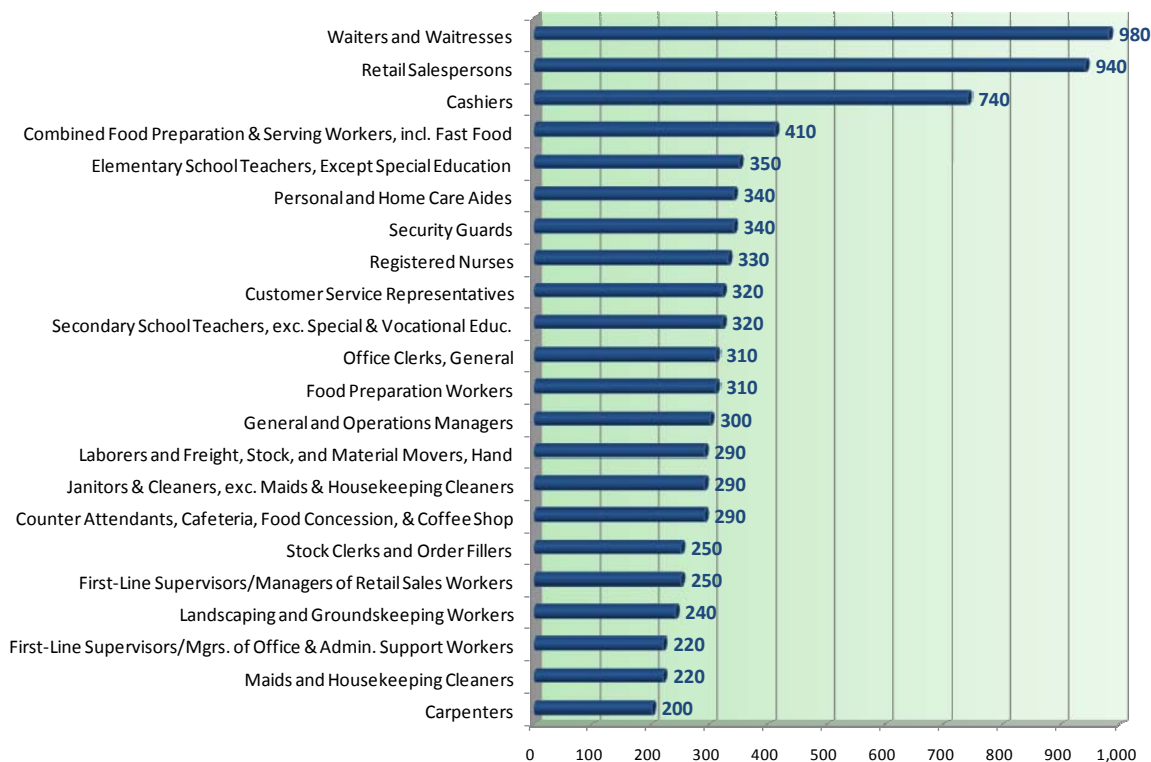
LONG TERM FORECAST

Employment Projections by Industry Division, 2008–2018

| Industry Division | Employment in 2008 | Employment in 2018 | Net Growth | Percent Growth | Avg. Annual Growth |
|---|--------------------|--------------------|---------------|----------------|--------------------|
| Total Employment, All Industry Divisions | 685,950 | 734,790 | 48,840 | 7.1% | 0.7% |
| Education and Health Services | 128,220 | 148,440 | 20,200 | 15.8% | 1.6% |
| Other Services (except Government) | 25,230 | 28,360 | 3,130 | 12.4% | 1.2% |
| Construction | 37,470 | 40,440 | 2,970 | 7.9% | 0.8% |
| Professional and Business Services | 75,340 | 80,510 | 5,170 | 6.9% | 0.7% |
| Trade, Transportation and Utilities | 117,940 | 125,300 | 7,360 | 6.2% | 0.6% |
| Total Self-Employed and Unpaid Family Workers | 59,590 | 62,380 | 2,790 | 4.7% | 0.5% |
| Leisure and Hospitality | 106,860 | 111,450 | 4,590 | 4.3% | 0.4% |
| Government | 74,050 | 75,930 | 1,880 | 2.5% | 0.3% |
| Financial Activities | 29,320 | 29,980 | 660 | 2.3% | 0.2% |
| Manufacturing | 14,850 | 15,110 | 260 | 1.8% | 0.2% |
| Natural Resources and Mining | 7,050 | 6,990 | -60 | -0.90% | -0.10% |
| Information | 10,040 | 9,920 | -120 | -1.20% | -0.10% |

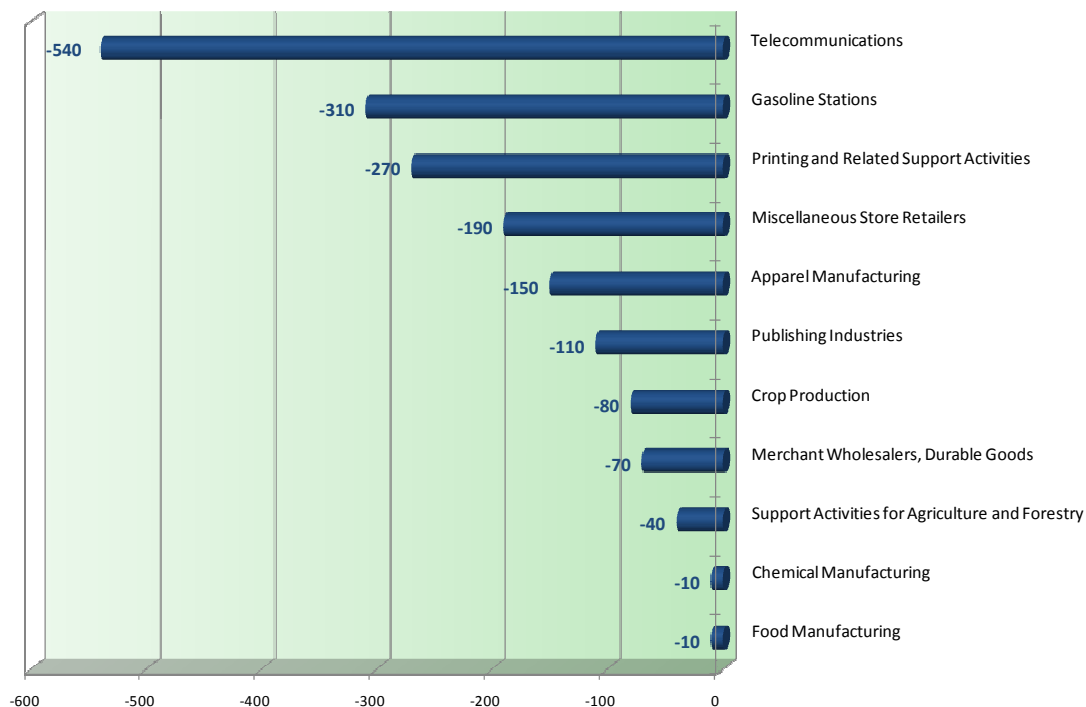
LONG TERM FORECAST

Occupations with the Most Projected Openings, 2008–2018



LONG TERM FORECAST

Industries with the Most Projected Job Loss, 2008–2018



Workforce Development Council

+ Background

The Hawai'i Workforce Development Council ("WDC") is comprised of 31 private and public sector members appointed by the Governor. The members provide direction to the State's workforce development efforts, and support the best use of resources for those purposes.

Specifically, the WDC is tasked to

1. lead and coordinate the continuing development of a skilled and competitive State workforce;
2. improve and enhance program effectiveness and efficiency and reduce and eliminate program overlaps and duplications;
3. recommend and act on policies in workforce development; and
4. assist in building State and local businesses and employment opportunities for all of Hawai'i's people.

The WDC is also the Statewide Workforce Investment Board for purposes of the federal Workforce Investment Act of 1998 and the Wagner-Peyser Act. The WDC develops that State plan on the use of the funds, how they are distributed, develops performance goals and oversees the implementation by the DLIR's Workforce Development Division and the four counties.

The WIA funds are administered by the four counties and the DLIR's Workforce Development Division which acts as the administrative/fiscal oversight entity for the funds. Each county has a local board similar to the WDC to oversee the allocation of training funds to their respective counties. These LWIBs are also private sector driven council and provides WIA funds for operation of One-Stop Centers on six islands.

Finally, the WDC also applies for and acts as a conduit for federal monies targeted for specific workforce development programs. Through various departments in the federal government, including the U.S. Department of

Labor (USDOL) and the Department of Health and Human Services, the WDC has sought and been awarded a number of federally funded grant opportunities.

Highlights

+ Workforce Investment Act

For Program Year 2010, the State exceeded all seventeen (17) of its negotiated performance levels for the three job training funds the state receives under WIA. Of the \$7.2 million received by the State, over 2,000 individuals were provided employment related services.



+ State Energy Sector Partnership ("SESP") Grant

In 2011, the WDC continued to effectuate year two of a 3-year, \$6 million job training grant.

Through coordination of several state and county agencies, non-profits and employers, the grant has trained over 1,000 residents this past year in energy efficiency and renewable energy job training. For 2011, the WDC worked on rolling out on-the-job (OJT) training and internship programs, as the Green LMI Improvement grant indicates that the majority of green jobs will require OJT as opposed to formal education. This is also to address concerns that there are limited training opportunities in Hawai'i for green occupations. WDC also worked with grant sub-recipients to identify and establish new green training programs, especially targeted at benefitting special populations such as people experiencing homelessness and veterans, and

apprenticeship training programs. WDC coordinated meetings and site visits for our USDOL Federal Program Officer and a Grants and Contracts Specialist during their visit in late September 2011.

The Hawai'i SESP grant is exceeding training expectations, with 67 percent of our total participants trained in 55 percent of the time. Training demand in the community remains centered on incumbent workers.

SESP TRAINING PARTNERS & FUNDING

| | |
|--|-------------|
| City & County of Honolulu | \$1,593,543 |
| University of Hawai'i Community Colleges | \$1,150,000 |
| County of Hawai'i | \$543,725 |
| County of Maui | \$432,890 |
| County of Kaua'i | \$273,278 |
| Goodwill Industries of Hawai'i | \$225,000 |
| Catholic Charities Hawai'i | \$225,000 |
| Hawaiian Electric Industries | \$194,000 |
| Building Industry Association of Hawai'i | \$87,500 |
| International Union of Painters and Allied Trades District Council 50 | \$87,500 |
| Associated Builders & Contractors— Hawai'i Chapter | \$87,500 |
| General Contractor's Association | \$87,500 |
| Pacific Resources Partnership | \$87,500 |
| Kaua'i Island Utility Co-op (KIUC) | \$87,500 |

+ Healthcare Workforce Planning Grant

WDC effectuated a \$150,000 healthcare workforce planning grant ("HWPG") designed to increase the primary care workforce by 20% by the year 2020. The WDC utilized this grant to maximize its efforts under the WDC's existing healthcare industry Skill Panels.

In 2010 and 2011, the WDC, in partnership with the Chamber of Commerce of Hawai'i, the University of Hawai'i Community College System, Hawai'i Pacific Health, John A. Burns School of Medicine AHEC, and the Career and Technical Education Center at UH-Manoa, published our initial report, *Hawai'i's Healthcare Industry Skill Panels Initial Report and Addendum to the Comprehensive State Workforce Development Plan*, in February 2011. That Skill Panel report can be viewed in electronic form at http://hawaii.gov/labor/wdc/FINAL%20Printed%20HC%20Report_031011.pdf.

One specific achievement of the healthcare industry Skill Panel was the formation of a Critical Care Nursing program between private sector employers and Hawai'i public and private post-secondary education institutions. The pilot program for training Critical Care Nurses at



Windward Community College is slated for early 2012. If the pilot program proves successful, the program will be rolled out to all of the universities in Hawai'i free of charge in order to better train and prepare Nursing students for the realities of current work in the medical field.

The final comprehensive workforce plan addressing Hawai'i's healthcare workforce was printed in December 2011, entitled *Hawai'i's Healthcare Workforce 20/20 Plan and Report*. It identifies key shortages within each of the state's four counties and provides specific recommendations to address those challenges, both at the county level and for the state as a whole.

+ Industry Skill Panels

In addition to healthcare, the WDC also formed employer-led Skill Panels in software development and agriculture. The intent of the Skill Panels is to identify workforce needs for particular industries, identify

barriers to meeting those needs, and find solutions to recommend to the Governor and legislature to resolve those barriers.

+ Software Industry Skill Panels

The WDC, along with the University of Hawai'i Community Colleges, Career and Technical Education-UH, and the Hawai'i Technology Development Corporation ("HTDC") held a Skill Panel focused on the computer software workforce. Modeled after the successful healthcare industry Skill Panels, the panel attracted over 100 software experts and industry leaders from throughout the state on March 31, 2011. Software industry leaders in Hawai'i such as Henk Rodgers, CEO of Blue Planet Foundation and developer of the game "Tetris," and Peter Kay, President of Cyber Com Inc., met with both start-up and established companies to decipher the workforce needs and develop a concrete plan to fulfill workforce needs in the software industry.

In October 2011, the WDC issued the *Hawaii's Software Development Industry Skill Panels* report based on the findings from the March forum. In it, panelists recommended that Hawaii should provide a better business environment that would attract and retain software development businesses, and should support the upgrading of the broadband infrastructure. Some of these proposals have made their way to the 2012 Legislature in the form of new broadband build-out proposals as part of the Governor's "New Day" program.



+ Agriculture Industry Skill Panels

In partnership with the DLIR and Department of Agriculture (HDOA), the WDC has begun statewide meetings with the Hawai'i farming community to address their present and future workforce needs. Over 170 stakeholders, including farmers, industry professionals, HDOA staff, representatives from the education and public workforce systems, and other stakeholders, convened to discuss the challenges facing the agriculture industry and to propose practical solutions. As with the prior Skill Panels, the WDC will produce a focused and collective report of the Skill Panels and make it publicly available prior to the 2013 legislative session.

Five Skill Panel meetings will be held throughout 2012 to collect important information on what farmers and those promoting agriculture need today in order to expand the industry tomorrow. Skill Panel meetings that are scheduled will be held in:

- Honolulu, O'ahu (*held on December 14, 2011*)
- Hilo, Hawai'i (*held on January 14, 2012*)
- Kona, Hawai'i (*held on March 6, 2012*)
- Kahului, Maui
- Lihue, Kaua'i

All information from these meetings, including attendee lists, meeting notes, and presentation videos, can be found online at www.sesphawaii.com/agriculture.cfm.

+ College Access Challenge Grant

The WDC, in partnership with the P-20 Partnership for Education, the University of Hawai'i, and the Department of Education, implemented a \$330,000 College Access Challenge Grant from the U.S. Department of Education in August 2010. Under the grant, the WDC established a student and adult learner web portal called MyFutureHawaii.org. The portal, which is ready to be piloted among 21 HDOE schools in early 2012, is designed to assist minority and disadvantaged students and adult learners in applying for post-secondary educational institutions. The portal provides the following four basic applications:

1. Degree audit
2. College and career planning
3. Electronic college application and transcript submittal
4. Tools to find and apply for financial resources

Management of the grant transferred from the WDC to the University of Hawaii in mid-2011, though the WDC continues to maintain a management role in the implementation of the MyFutureHawaii.org web portal.

✦ **Disability Employment Initiative**

The WDC successfully obtained a \$2.9 million Disability Employment Initiative grant from USDOL. The grant is intended to address Hawai'i's disabled population by

1. Improving educational, training, and employment outcomes of adults with disabilities;
2. Promoting partnerships and greater collaboration across workforce segments; and
3. Increasing the utilization of One-Stops by the targeted population by 20% while improving data tracking.

The program design will leverage funds from Vocational Rehabilitation (VR) and Ticket to Work to provide training services, while two staff in each selected LWIB—known as Disability Resource Coordinators (DRCs) and Business Relations Inclusion Coordinators (BRICs)—will collaborate with partners in the community to create a streamlined pathway to gainful employment for participants. Outcomes will be achieved by:

- Training One-Stop staff on community resources to increase appropriate collaboration and referrals;

- Housing VR staff within one-stops and requiring IRTs be offered to participants when referring to VR or Employment Networks;
- Building the network of inclusive employers by establishing local Business Leadership Networks (BLNs) and signing job experience site agreements;
- Having a “flexible spending fund” to provide the “first dollar down” to leverage partner funds and resources;
- Hosting semi-annual Asset Development Summits for ticketholders;
- Hosting employer learning events and award ceremonies; and
- Producing an accessible video of One-Stop and partner services.

The project will also collaborate with the Medicaid Infrastructure grant to provide key support services in the form of a targeted support service model cohort class housed within the One-Stops that will help participants explore careers and identify educational and employment pathways.

Partnerships with Other Workforce Programs

- + *Tourism Workforce Advisory Committee*
- + *Project Ho'omohala*
- + *Vocational Rehabilitation*
- + *Labor Market Information*
- + *Comprehensive Economic Development Strategy*
- + *Medicaid Infrastructure Grant*
- + *Center for Career and Technical Education*
- + *Hawaii P-20 Partnership*

Tourism Workforce Advisory Committee

The Hawaii Tourism Authority ("HTA") "Tourism Workforce Advisory Committee" meets to discuss the workforce needs in the tourism industry, and how to better conduct outreach to individuals looking to enter the tourism industry as a career. The Committee is developing a comprehensive workforce development program for tourism as part of the HTA's overall Strategic Plan, through two main initiatives:

1. The www.hitourismcareers.org website usage increased in 2010. The most visited page is the Job Announcements followed by Tourism Career Success Stories. The website is a collaborative effort between the HTA and the DLIR, which has assisted in the development and maintenance of the website.
2. Publicizing the efforts of the committee through the Society of Human Resource Management.

The Asia-Pacific Economic Cooperation meetings are expected to attract up to 20,000 participants over 11 days in November 2011. There are many issues to be discussed including: security, communications and outreach, host culture emphasis, logistics, and marketing. APEC 2011

is an opportunity for Hawaii to be showcased as a place to do business while providing a unique cultural experience to participants. The Tourism Workforce Advisory Committee is currently focused on developing specialized workforce training needs for the November 2011 meetings.

WDC members and staff regularly attend the Tourism Workforce Advisory Committee meetings and provide input on developing the tourism workforce.

Project Ho'omohala

Project Ho'omohala is a program based in urban Honolulu to serve young people ages 15-21 who face challenges as they transition to adulthood due to emotional and behavioral disabilities. The Project addresses transition issues such as access to education, employment and housing, in addition to mental health and other support services including: individualized transition services, peer support and mentoring, and family or caregiver support.

The project, now in its 6th year, is seeking sustainability models, preferably that provide participants with a one-stop system. The WDC is a signatory partner in Project Ho'omohala, in which staff attend and give input at meetings of the project.

Vocational Rehabilitation Program (VR)

Operated by the Department of Human Services, State of Hawaii, the Division of Vocational Rehabilitation provides services to persons with disabilities to prepare for and enter employment.

The economic benefits of VR are significant. They include increased earnings and purchasing power, increased taxes paid, and a decreased dependency on public assistance. They become tax-

paying citizens eventually paying back more than the costs of the program.

The WDC has a seat on the Vocational Rehabilitation Advisory Council to provide input on workforce development issues. WDC member Jonathan Chun serves on the Council.

The WDC participates in three programs to increase training and employment opportunities for persons with disabilities. These initiatives fall within the WDC's goal to increase the labor pool through reaching groups underrepresented in the labor pool.

Medicaid Infrastructure Grant (MIG)

In January 2005, Hawaii was awarded a Medicaid Infrastructure Grant ("MIG") by the Centers for Medicare and Medicaid Services to increase employment outcomes for people with disabilities. The "Hire Abilities Hawaii" collaboration includes DHHS, Center for Disabilities Studies, DOE, DOH, and the WDC as the representative agency for the DLIR. The initiative works to remove barriers and build an infrastructure to support working persons with disabilities. The MIG Grant also has worked on a Medicaid Buy-In option, which strengthens supports for the target population.

FY 2009 VR Program Achievements:

- VR served 6,670 individuals with disabilities.
- VR received 958 new referrals.
- 370 individuals were successfully employed.
- 87% of those placed had significant disabilities.
- 25% individuals received public assistance prior to their rehabilitation.

- 26% were transfers from the Special Education-Vocational Rehabilitation (SEVR)/Transition Program, an increase of 5% over last year.
- The average cost per individual rehabilitated in FY 2009 was \$5,518.
- Pre-VR earnings were \$4,143. Average post-VR earnings were \$19,967.

Labor Market Information (LMI)

Each year, the WDC reviews the Workforce Information Core Products and Services Grant, which provides formula funding for LMI activities during the following program year. LMI core products and services include:

- Populating the Workforce Information Database with state and local data on employers, licensed occupations, labor and unemployment information, and wages;
- Producing and disseminating industry and occupational employment reports;
- Conducting and publishing relevant economic analyses such as the recent “Green Jobs” Report;
- Posting of products and reports on the internet, including the 2011

“Green Hawaii Workforce Information Portal”; and

- Partnering with state and local workforce investment boards to identify needed information.

Comprehensive Economic Development Strategy (CEDS)

The Comprehensive Economic Development Strategy (“CEDS”) is a process by which states create a strategic plan that enables funding from the U.S. Department of Commerce, Economic Development Administration. The WDC representative on the CEDS review panel is Carl Hinson, Director of Workforce Development at Hawaii Pacific Health.

Center for Career and Technical Education (CTE)

The Center for Career and Technical Education administers funds from the “Carl D. Perkins Career and Technical Education Improvement Act of 2006” for state planning of career and technical education; disbursement of funds; program evaluation; and required reporting. The Career and Technical Education Coordinating Advisory Council is the coordination and consultation body at the policy

level. Membership includes representatives from the Hawaii Board of Education, the State Board for Career and Technical Education. The Workforce Development Council is represented on the CTE by members Allen Chung, Jeffrey Piontek and James Wataru.

Hawaii P-20 Initiative

Hawaii P-20 Partnerships for Education is a statewide collaboration led by the Good Beginnings Alliance, the Department of Education, and the University of Hawaii that is working to strengthen the education pipeline from early childhood through higher education. The goal of Hawai‘i P-20 is for 55% of Hawaii’s working age adults to have a 2- or 4-year college degree by the year 2025. This goal can be achieved by ensuring all children can read at grade level by third grade, strengthening the rigor of the high school curriculum, increasing student access and success in college, and facilitating program and policy development based upon research and data. The WDC is represented on the P-20 Executive Board by James Hardway, Executive Director.

Oahu Workforce Investment Board Highlights

+ Oahu WorkLinks

The OWIB is the state's largest Local Workforce Investment Board ("LWIB") based on population. Oahu WorkLinks, a City & County–State collaboration, administers eight One-Stop Centers.

+ Adult and Dislocated Workers

As of August 2011, the Oahu Workforce Investment Board ("OWIB") is currently either meeting or exceeding all WIA performance measures. During the program year, the Oahu Workforce Investment Board ("OWIB") remained active, working with both new and more traditional employers to provide work opportunities for adult and dislocated workers. In January and May of 2011, job fairs were held. New companies to the state such as Disney, whose Aulani resort is now open, participated in both job fairs. A number of other construction companies and trade associations also participated, giving individuals looking for work an opportunity to inquire and apply. For the May 2011 job fair, jobs that are considered part of the "green industry" were given a separate section of the fair. This "Green Zone" featured green businesses that were actively recruiting for green jobs. The Zone also featured workforce agencies promoting various training opportunities in green industries.

+ Youth Programs

During the program year, OWIB experienced a reorganization of youth programs. The youth programs that relate to WIA were moved from the Office of Special Projects to the WorkHawaii Division. Meanwhile, OWIB's youth programs have been recognized by a number of national organizations and governmental entities for excellence in service and best practices awards. Currently, older youth WIA programs are exceeding in 3 out of 4 categories, and younger youth programs are exceeding goals in 2 out of 3 measurements.



The "Green Zone" at the Work Force 2011 Job & Career Fair at the Neal Blaisdell Center in Honolulu on May 18, 2011.

Hawaii County Workforce Investment Board Highlights

+ Adult Program Highlights

The unemployment rate for Hawaii County was 10.6% in June 2011. Unfortunately, this has brought Hawaii County back to the levels of a year ago (2010). Typically, our Adult Program participants are adversely affected by the influx of qualified, skilled workers flooding the labor market and a lack of new job openings during this sluggish economy. Hawaii Branch, with its local offices in Hilo and Kona, has stepped up its job preparation activities for our participants to increase their competitiveness.

Despite employment opportunities remaining scarce, the State Workforce Development Division staff continues to provide an array of job readiness workshops with heavier emphasis on career navigation and counseling. Continuous engagement is a common theme for all levels of unemployed individuals. Participants have opportunities to seek local college financial aid assistance through orientation and application workshops at the One-Stop.

WIA counselors continue to take part in an accelerated employer relations campaign (at the state and local levels) in order to generate and reestablish relationships with local employers. The promoting of use of services, facilities, Employer Resource Center, Tax Credits and On-the-Job Training opportunities will assist in future placements and retention of trainees.

Due to Hawaii County's high per-capita poverty rates and a double-digit unemployment rate, Hawaii WIB continues to dual-enroll participants with one-stop partners like Alu Like, the Division of Vocational Rehabilitation, the Senior Employment & Training Program, and other non-mandated one-stop partners in order to optimize funding resources due to the poor economy.

+ Dislocated Worker Highlights

The dislocated worker population has also been adversely affected by the stubborn economic slowdown. Fortunately, many dislocated worker participants have greater skill sets and sounder work and maturity skills. However, for many participants, new occupational skills and skill sets need to be learned, and readjustment services in this very tight economy become paramount to their re-employment. This population, however, remains more selective on long-term training opportunities offered by our program.

With these challenges, Hawaii WIB, as of the end of June 30, 2011, has exceeded its goals for the year by 1%. Planned enrollment was 216 and actual was 220. Computer training, Certified Nurse Assistant and Commercial Driver Education are the predominant training of choice. The Hawaii WIB has noted a trend that during the last year, many of the dislocated workers are now accepting employment opportunities that are well below their original expected pay range and some are opting to return to school and/or receive more training during this economic downturn.

+ Youth Highlights—Older Youth

The Ola I Ka Hana Program run by contractor Goodwill served 94 older and younger youth in the program year. Of these, 81 were aged 14–18 and 13 were aged 19–21. The increase in enrollment is attributed to the effort of the staff to promote the Ola programs and conduct outreach services in Kona, Honoka'a and other rural areas. A total of 25 youth have attained their high school diplomas or certificates of completion in the program year.

There were 19 youth who received their Competency-Based High School Diploma in June 2011: 16 youth in Hilo and three youth in Kona. Two graduates have applied to UH-HCC and are awaiting their results for admission in the fall. The other graduates have obtained employment or are working with their youth specialists to secure a job placement.

+ Youth Highlights—Younger Youth

Through our contractor, Paxen, Hawaii WIB is currently servicing an enrolled total of 67 participants. The contractor had a total of 40 "current enrollment participants" and 27 participants who have been exited during PY 2010–2011 and are now in "follow up services." The contractors continue to provide follow up to participants who have been exited during PY 2009–2010. Work continues with the local community colleges and university to establish a rapport between them and the participants who are of eligible age. In addition, participants have been assisted in applying for and sustaining higher education and financial aid tuition assistance, résumé building, financial literacy, employment seeking and referrals to outside agencies.

Kauai County Workforce Investment Board Highlights

+ Adult and Dislocated Worker Programs

Job Seeker documented walk-in visits, on average, are on the rise. This is probably more reflective of staff having adjusted to the reduced staffing available to cover the resource room, and of staff being better able to ensure that most walk-ins actually register before receiving services.

Credential attainment continues to be a challenge, particularly for the Adult and Dislocated Worker WIA programs. This may be attributable to limited Kauai Community College credential options due to class cancellation when enrollment is low, or to classes not being scheduled until a sufficient number of interested students are wait-listed.

To address this, the Kauai Workforce Investment Board approved fourteen 24-week on-line training courses being offered through KCC by ED2GO. Of these, 11 courses have a related certification exam. While costly, these new courses offer a viable option since they will run regardless of local enrollment count and participants can work on their program 24/7—meaning work schedules are not a limiting factor to participation. KWIB hopes these new offerings will help in addressing

the diverse needs of participants and will improve their credential measures over time.

+ Younger and Older Youth Programs

The County of Kauai recently awarded its Youth Program service provider contract to Paxen Huli Ke Alo LLC. The organization just concluded a very successful STEM summer program that served 30 younger youth through a state grant. They are now gearing up for the new school year, and some of their STEM participants are excited about enrolling in the WIA program.

In recent years, older youth were being placed in the subcontractor's alternate adult work readiness program, "Forward March." This was done to address the youth's most immediate need for employment and because of limited WIA program funding. Frequently as a result, there were no OY exiters; measures were shown as 0% when actually it should have been "Not Applicable" since, mathematically, denominators cannot be 0. The Youth Program contract recently issued to Paxen Huli Ke Alo requires that at least 15% of the served population be older youth. It is hoped that this new contract will improve WIA older youth performance measures in future program years.

Maui County Workforce Investment Board Highlights

+ Adult and Dislocated Program Highlights

Maui WIA staff continues its efforts in the recruitment and enrollment of eligible adult and dislocated worker customers to provide core, intensive and training information and services. Management continues to work on strategies to improve recruitment, enrollment, performance outcomes and overall services provided in the WIA programs.

Staff are utilizing the materials and information provided to them, with a focus on the career assessment tools. Counselors are encouraging participants to explore Career Kokua, HNH, My Future/My Skills, TORQ, ONet, and other career assessment websites and tools, and to utilize their results to better assess their employment goals.

Participants have found that their results from the various career assessment tools have uncovered hidden abilities, skills and knowledge they never knew existed, and that they felt confident in setting achievable employment goals with little to no training. With technology, on-line assessments can now be administered and completed within a few hours, including receiving results. Case management, however, remains a huge part in participant success in achieving employment goals and securing employment.

+ Youth Program Highlights—Ku'ina Program

POST-SECONDARY EDUCATIONAL OPPORTUNITIES

The Ku'ina program is working toward recruiting more students from the county's outlying areas of Lanai, Molokai and Hana. Although the numbers from a recent two-month outreach campaign in these areas were small, the Ku'ina program hopes to enroll more students from these areas as a result of the outreach efforts.

Some of the outcomes resulting from the high school outreach efforts include the development of the Maui Loa Program and the implementation and execution of a transition plan for at-risk students, targeting seniors in the areas of teen pregnancy, ESL, 504, and disability.

Maui Loa ("Breath of Life") Program: To address the drop-out issue at Lahainaluna High School, Ku'ina staff presented this tutoring and mentoring program to the school's counselors to focus on at-risk seniors. The four components of the program are: (1) Tutoring in the

subjects of English and math; (2) Mentoring 4–6 hours per month; (3) Service learning with an organization (i.e. Habitat for Humanity); and (4) Life and career skills through an online training program.

In recent achievements, Ku'ina was able to assist and graduate 13 students, and all 13 students attained a credential. Three students graduated with RN degrees, one of whom now works for Maui Memorial Medical Center as a registered nurse. The other two are still deciding if they want to enter the workforce or continue their education toward a bachelor's degree. Four other students graduated with Liberal Arts degrees: two of them are entering the Bachelor's of Education program, another is transferring to Georgia for her Bachelor's in Environmental Science, and the other has found work at UH Maui College as a Dental Assistant Teacher's Aid.

As for students achieving long-term educational goals, three students who attained GEDs a few years ago are still enrolled at University of Hawaii Maui College. They are making progress toward their educational goals, and in a few semesters they too will be earning post-secondary credentials. Two other students attained certificates in Sustainable Construction, and both of them are currently looking for work.

Finally, one of Ku'ina's Dental Assisting graduates was hired as a dental assistant in a private practice. The Ku'ina staff is very proud of this student's efforts and accomplishments.

PRE-VOCATIONAL TRAINING/ SUMMER WORK EXPERIENCE

Ten students completed a 16-hour pre-vocational training in the summer of 2011. The Ku'ina staff used the "A-Game" curriculum that is widely used in other WIA programs across the nation. The "A-Game" focuses on seven work-place values that give the student the knowledge to excel on the job. All ten students completed the course and the mastery exam. They attained a certificate of completion and now have their names in a national database used by employers to verify the students' completion of the "A-Game."

Of the ten "A-Game" participants, four were placed in a six-week summer work experience program. One student attained a job on her own.

RECOMMENDATION 1:

Improve the delivery of timely education and training to prepare current and future workers of high-skill occupations.

A. Develop common assessment and evaluation methodologies for workforce development programs and initiatives across the education and workforce pipeline.

- + **Update and expand an asset map of workforce development resources. Identify talent pipelines and workforce needs for the six primary industry clusters.**

UPDATE: With the Healthcare Planning Grant implementation, a statewide asset map has been created through the healthcare Skill Panel process. Further work on the asset map, including refinements, continue into 2012 with the conclusion of the planning grant process.

- + **Develop a comprehensive evaluation model for workforce development programs to promote accountability, increase effectiveness and gain efficiencies.**

UPDATE: In 2011, the WDC's Evaluation Committee, as part of the approval process for the WIA Annual Report, engaged a top-to-bottom process of evaluating programs. New members on the committee have been charged with provid-

ing recommendations before the end of 2012 as to the best way to gain efficiencies in evaluating WIA programs.

- + **Develop criteria in partnership with education and training agencies (public and private) using best practices from other states and regions. Include a continuous improvement component.**

UPDATE: The WDC continues to work with a number of parties in different industries to assist in the creation of education and training criteria that is tailor-made to the needs of those specific industries. Along with this, the WDC also is in close contact with both the University of Hawaii and the Department of Education to assist in the creation of curricula that has a lifelong learning component, such as the establishment of green jobs curricula with the University of Hawaii Community Colleges.

- + **Encourage agencies that collect data useful to improving workforce development to share their idea and develop a "common language" across the system.**

UPDATE: In 2011, agreements on creating a statewide longitudinal system were inked between the University of Hawaii, the Department of Education and the Department of Labor and Industrial Relations. The WDC is providing resources to P-20 for it to move into next steps of creating a statewide longitudinal data system. In 2012, the WDC will be filing a grant with the Department of Labor, asking it to provide funding for a workforce longitudinal data system that will align with the larger P-20 system to provide true longitudinal data across education and labor in the near future.

- + **Align Career Pathways and Career Academy information with the U.S. Department of Labor's occupational codes to help participants understand**

career options and education/skill requirements. Reassign codes when possible to conform to USDOL/DLIR.

UPDATE: The State of Hawaii Department of Labor's Research and Statistics Office has been tasked with this alignment and continues to evaluate and align for the benefit of those seeking services.

- + **Conduct a comprehensive audit of barriers to data sharing. Make legislative and administrative recommendations for changes to increase and encourage sharing.**

UPDATE: From 2010 to present a number of initiatives have been started to provide for enhanced

data sharing between state departments. Legislatively, laws have been passed that require the sharing of information between divisions, starting with Act 41, 2010. Concurrently, the Dept. of Labor has inked a number of Memorandums of Understanding with the State Dept. of Education and the University of Hawaii to formalize data sharing between all three entities in order to create a longitudinal data system for the State of Hawaii.

- + **Continue to investigate work-readiness certification models and implement a work-readiness certification process recognized by employers statewide.**

UPDATE: The Oahu WIB pilot project in work-readiness was launched

in 2010. However, due to continued challenges in the economy, a number of identified partners did not sign up for the program. Efforts are being undertaken in 2011 to re-establish the program as course and lab materials have been purchased for this evaluation.

- + **Obtain buy-in from employers and their intermediaries. Use experiences in other states and regions to make refinements.**

UPDATE: The WDC continues to support and provide resources to the P-20 Longitudinal Study that will collect data across a number of agencies in order to better understand how children progress through the system into the workplace.

B. Increase and expand access to workforce development resources.

- + **Conduct an assessment of One-Stop Centers including current and desired capabilities, and the gaps in the current system.**

UPDATE: Evaluations of the one-stop systems are currently being undertaken through the implementation of specific labor grants that are overseen by the WDC.

- + **Reduce the remediation requirements of public school students who enter the University of Hawaii Community Colleges ("UHCC") (generally Math and English). Investigate using adult education resources. Identify benchmarks that enable UHCC campuses to focus on college-**

level instruction and reduce remediation.

UPDATE: The State of Hawaii's Department of Education has recently implemented a revision in graduation requirements for students starting in the 2016 graduating class. These requirements allow for more rigorous math and science curricula to be implemented. The WDC supported the implementation of higher standards for graduating students, in line with a desire by the Community Colleges to see more academically robust students enter college.

- + **Create alternatives to funding for workforce preparation**

(such as the private sector, tax credits, expansion of ETF, bond financing, use of community and faith-based organizations and schools, reallocation of existing resources, and participation in multi-state and regional consortia). Investigate actions taken in other states and regions.

UPDATE: At this time, funding alternatives are not possible due to the state of the economy and reversal of the use of tax credits by the state of Hawaii to fund new initiatives. However, workplace preparation by the private sector continues to occur for newly-hired and incumbent workers for company specific policies.

C. Prepare future workers for careers in all occupations deemed high-demand and moderate to high-skilled.

- + **Develop scholarships and other support for students who enter specific fields of study such as nursing, education (especially in math, science and special education) and other identified**

high-need occupations. Students would agree to work in Hawaii for a specific period, and priority would be given to those who contractually agree to work in isolated and rural areas.

UPDATE: The WDC has taken an active role in supporting initiatives that give students and those in the workforce the ability to become trained in high-need occupations. In both the tourism and healthcare

fields, the WDC is currently working with stakeholders in each industry to identify funding opportunities

through scholarship and grants applied by the WDC to the U.S. Department of Labor to feed students

into training opportunities funded by these grants.

D. Provide mechanisms to facilitate experiential learning for students and youth, and work to expand business–education partnerships.

+ **Create and expand incentives and opportunities for teachers (particularly in STEM and other high-demand areas) to receive education and training in areas that will help them to gener-**

ate more student interest in workforce development-related areas. Increase the visibility of these programs and raise funds to participate in national competitions.

UPDATE: The WDC is developing an asset map of experiential learning opportunities in the state.

RECOMMENDATION 2:

Focus more attention on upgrading skills of incumbent workers.

A. Provide incentives for incumbent worker upgrade training.

+ **The legislature should explore an innovative training initiative designed to stimulate job growth and hiring. Hawaii's Unemployment Insurance ("UI") law could be amended to allow those receiving UI benefits to receive on-site workplace training, while receiving regular UI benefits as well as a training allowance. Employers in the program would provide up to 24 hours per week of training for up to eight weeks with no wage costs, during which time the employer would evaluate the UI claimant for a possible permanent job.**

UPDATE: In 2010, the DLIR initiated the Volunteer Internship Program ("VIP") as a joint effort between the

UI and WDD Divisions. UI claimants who chose to participate and work up to 32 hours per week for up to eight weeks received a certificate of skills earned at the end of the program. In similar programs in other states, up to two-thirds of interns were placed in permanent employment. This program continues into 2012.

+ **Create roundtable forums with stakeholders to provide recommendations to the Governor and Legislature on ways to incentivize employers to create and maintain in-house training programs to upgrade the skills of their employees.**

UPDATE: Along with healthcare, that started in 2010, steering commit-

tees in the areas of software and agriculture have been created in 2011 to examine the needs of employers in those industries. The committees are made up of human resource experts in the specific industry area and general employment fields.

+ **The legislature should explore amending Hawaii's UI law to allow for a federally-approved shared work program. Currently, Hawaii offers partial UI benefits for employees who have their hours reduced, but the take-home pay cannot exceed the UI benefit amount.**

UPDATE: This priority recommendation will be explored with the Legislature during the 2012 legislative session.

+ **Enact Lifelong Learning Account (“LiLA”) legislation.** LiLAs are employer-matched, portable individual savings accounts used to finance education and training for career advancement, and

are similar to a 401(k). LiLAs provide Hawaii’s employers an incentive by offering annual tax credits of up to \$500 to offset the employee’s contributions to the account.

UPDATE: With the economy still struggling in 2011, this priority recommendation was not enacted upon. This recommendation will move forward should there be a strong uptick in the economy in 2012.

B. Identify skill sets and training priorities for high demand occupations.

+ **Identify skill sets for high demand occupations linked with priorities for training and an approved credentialing process.** The credentialing process would also need to be developed for

recommendations #1 and #2 to be effective.

UPDATE: With the LMI grant fully expended on December 31, the WDC will now be using the informa-

tion gathered during the two year program to promote green jobs and green industries through the State Energy Sector Partnership, which is now in its third year of operation.



RECOMMENDATION 3:

Expand the labor pool in the face of a long-term labor shortage.

A. Policy Action Statement: “To fully employ untapped and under-tapped labor pools of unskilled and skilled people, the three strategic priority recommendations for the WDC are geared towards expanding the economy and engaging businesses.”

+ **Green Jobs Initiative: Hawaii must be more self-sustaining and build economy-driving industries. The Federal “Green Jobs Act” will likely be funded; Hawaii should be prepared to compete for funds.**

UPDATE: The WDC secured a competitive State Energy Sector Partnership grant in the amount of \$6 million to train incumbent workers and persons for entry-level positions in renewable energy, energy efficiency, and sustainable agriculture industries. This grant

continues operation into 2012 with expanded public outreach and focus on putting trained individuals to work in green industries identified by the LMI grant.

+ **Sector Initiative: Use sector strategy to identify and expand economic drivers compatible with people with one or more barriers to employment. For example, the creative industry includes micro-enterprises and cottage industries.**

UPDATE: The WDC sponsored two sets of meetings in 2011 to address the needs of the software and agriculture industries through a sector strategy approach that brought together employers, employee unions and educators to address the workforce needs for software and agriculture.

+ **Business Leadership Network: This concept, organized at the national level, helps employers understand issues in hiring people with disabilities. Two**

counties are creating networks. It is recommended to explore creating employer networks for other groups such as veterans,

ex-offenders, immigrants, and welfare recipients.

UPDATE: Business Leadership Networks have been formed in

Hawaii and Maui Counties. The WDC is assisting Hire Abilities Hawaii to establish a statewide network of business peers during 2010.

B. Next steps in expanding the labor pool:

+ **The WDC will broker the development of a “Green Jobs” workforce development information clearinghouse, which could feature a summit, report publication, or a combination of several initiatives.**

UPDATE: The LMI grant was fully expended in December 2011. Work on the data gathered by work done under the grant will continue into 2012 as it works closer with the State Energy Sector Partnership grant.

+ **The WDC will seek technical assistance to explore effective economic drivers for the state, small businesses, and under-represented populations.**

RECOMMENDATION 4:

Address the need for workforce housing.

A. Policy Action Statement: “The Workforce Development Council will take an active role in supporting policies so that access to housing is not a barrier to having a vibrant (low to high end) workforce in Hawaii.

+ **Research:** Solicit organizations to present their programs to the WDC in order to assist the Council in understanding the role it can have regarding housing, transportation and public infrastructure to support workforce development.

+ **Workshop Series:** The WDC will seek county support for a statewide workshop series on workforce housing issues, and

identify specific workforce housing needs for each county.

+ **HireNet Modification:** Include within the HireNet Hawaii system an information and feedback process (for employers and jobseekers) to identify barriers to housing and employment.

+ **Advocacy:** Advocate to advance recommendations from other or-

ganizations that support access to housing that more of Hawaii’s workforce can afford.

UPDATE: The WDC has established a Committee with the mandate to respond on issues relating to housing. Given the severity of the recession, the Committee is focusing on economic development issues, and will resume discussion on housing concerns beginning in 2012.

Workforce Investment Act 2011 Performance Results

Workforce Environment

In 2011, Hawaii's workforce continued to be challenged by the effects of the recession that started in late 2008. During the last program year, state economists initially predicted a rebound in overall economic output for the state, in line with projections from most developed countries that economic recovery had started.

However, due to natural disasters in Japan (a March 2011 earthquake/tsunami in the north) along with a spike in fuel prices (retail fuel prices hovering around \$4 a gallon for most of 2011), local economists reduced their projections, thus putting into question the overall economic recovery in the state. With the sudden downturn in Japanese tourism to the state, and the overall increase in costs, partially due to an increase in jet fuel prices, economic improvement in the state continued to be slow, sluggish and unpredictable.

The state's overall unemployment situation continued to be in the 6% range, with Hawaii continuing to have a lower unemployment rate than the national average.

Program Year 2010 saw a marked increase in the number of people employed, and a decrease in those unemployed. According to the State Department of Labor and Industrial Relations, employment increased by 10,050 from October 2010 to August 2011, and those unemployed decreased by 2,450. Although economic conditions are still challenging, these figures do mark a reversal and recovery of the civilian labor force in the state of Hawaii.

Performance Results

The WIA-driven workforce development infrastructure* continued to engage stakeholders in economic development, education, and workforce development activities that advance Governor Neil Abercrombie's "New Day" agenda, which focuses on renewable energy and film media.

In Program Year (PY) 2010, Hawaii received a total of \$8,745,031 for the Adult, Dislocated Worker, and Youth Programs. Later, with the addition of \$739 in reallocated Dislocated Worker funds and the rescission of \$4,606 and \$4,748 respectively from the Adult and Dislocated Worker programs, the PY 2010 allotment was reduced to \$8,736,416. Despite the decrease, this was a net increase of \$2,250,727 over the PY 2009 allocation of \$6,485,689. With these funds, a total of 1,841 participants received in-depth assessment, case management, support services and training.

As a result, in PY 2010 Hawaii **exceeded** 14 of its 15 statewide performance targets for its Adult, Dislocated Worker, and Youth programs. A summary of the results by category can be found on the next page.

For a complete review of the year's performance outcomes, read the *Workforce Investment Act Title I-B Annual Performance Report, State of Hawaii, Program Year 2010 (July 2010–June 2011)*, published by the WDC in October 2011 and available to download on the WDC's website, <http://hawaii.gov/labor/wdc>.

* The WIA-driven workforce development infrastructure is comprised of the Workforce Development Council ("WDC"), the Workforce Development Division ("WDD"), and the Research and Statistics Office ("R&S"), all housed in the Department of Labor and Industrial Relations ("DLIR"); 14 One-Stop Centers in six major Hawaii islands and the virtual HireNet Hawaii; and four Local Workforce Investment Boards ("LWIBs").

WIA PY 2010 STATEWIDE PERFORMANCE SUMMARY

Adults

| Performance Measure | SNPL* | Hawaii Results | Rating |
|-----------------------------|----------|-------------------------|----------|
| Entered Employment Rate | 50% | 67.4% | Exceeded |
| Employment Retention Rate | 82.1% | 88.3% | Exceeded |
| Average Earnings | \$10,800 | \$11,550. ⁰⁰ | Exceeded |
| Credential/ Diploma Rate | 55% | 60.3% | Exceeded |

Dislocated Workers

| Performance Measure | SNPL* | Hawaii Results | Rating |
|-----------------------------|----------|-------------------------|----------|
| Entered Employment Rate | 65% | 72.9% | Exceeded |
| Employment Retention Rate | 86% | 90.6% | Exceeded |
| Average Earnings | \$14,750 | \$15,853. ⁶⁰ | Exceeded |
| Credential/ Diploma Rate | 60% | 66.8% | Exceeded |

Younger Youth

| Performance Measure | SNPL* | Hawaii Results | Rating |
|-----------------------------|-------|----------------|----------|
| Education Retention Rate | 44% | 46.2% | Exceeded |
| Credential/ Diploma Rate | 46% | 65.7% | Exceeded |
| Skill Attainment Rate | 71% | 87.5% | Exceeded |

Older Youth

| Performance Measure | SNPL* | Hawaii Results | Rating |
|-----------------------------|---------|------------------------|----------------------------|
| Entered Employment Rate | 40% | 50.0% | Exceeded |
| Employment Retention Rate | 60% | 66.7% | Exceeded |
| Six Month Earning Increase | \$1,750 | \$3,221. ⁸⁰ | Exceeded |
| Credential/ Diploma Rate | 38% | 25.0% | Did not meet 80% of target |

Customer Satisfaction

| Performance Measure | SNPL* | Hawaii Results | Rating |
|---------------------|-------|----------------|----------|
| Employers | 82% | 97.68% | Exceeded |
| Participants | 72% | 86.44% | Exceeded |

* State Negotiated Performance Levels



WORKFORCEDEVELOPMENT
COUNCIL

**WORKFORCE DEVELOPMENT COUNCIL
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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