

Part
One

2
0
0
2



Hawaii Workforce
Development Council
830 Punchbowl Street, #417
Honolulu • Hawaii • 96813
Phone: 808.586.8670
Facsimile: 808.586.8674
E-mail: WORKFORCC001
@hawaii.rr.com
home.hawaii.rr.com/hiwdc

Report to the Governor

Policy Brief: Hawaii Workforce Initiatives for Economic Stimulus

Governor Benjamin J. Cayetano

**Leonard Agor, Director
Department of Labor and Industrial Relations**

Hawaii Workforce Development Council

**E. Micheal Boughton, Chairperson
Sybil Kyi, Executive Director**

**POLICY BRIEF:
HAWAII WORKFORCE INITIATIVES
FOR ECONOMIC STIMULUS**

**PART I
OF
2002 REPORT TO THE GOVERNOR ON
HAWAII WORKFORCE DEVELOPMENT**

Governor Benjamin J. Cayetano

**Leonard Agor, Director
Department of Labor and Industrial Relations**

March 2002

Hawaii Workforce Development Council

**E. Micheal Boughton, Chairperson
Sybil Kyi, Executive Director**

830 Punchbowl Street · Suite #417 · Honolulu · Hawaii · 96813

Telephone: 808.586.8670 · Facsimile: 808.586.8674

E-mail: WORKFORCC001@hawaii.rr.com

HAWAI'I WORKFORCE DEVELOPMENT COUNCIL

Members

E. Micheal Boughton
Gladys Baisa
Norman Baker
Eugene Bal III
Jeff Bloom
Mamo Cummings
Clayton Dela Cruz
Susan Doyle
Dr. Alan Garson
Dr. Morris A. Graham
Rochelle Lee Gregson
Ken Ito, Representative
Michael Kahikina, Representative
Brain Kanno, Senator
Wayne Kishida
Christine McColgan
Bob Nakata, Senator
Ruthann Quitiquit
Myles Shibata
Richard W. Smith
Darrel Tajima
James G. Westlake
Winona Whitman

Ex Officio Members

Benjamin Cayetano, Governor
James "Kimo" Apana, Maui Mayor
Jeremy Harris, Honolulu Mayor
Leonard Agor
Dr. Susan Chandler
Patricia Hamamoto
Dr. Seiji Naya
Dr. Joyce Tsunoda

Designees

Joseph Blanco
Roselyn Baker
Michael Amii
Audrey Hidano
Garry Kemp
Diana Oshiro
Robert Shore
Michael Rota

Staff

Sybil Kyi, Executive Director
Dorothy Bremner, Employment Analyst
Carolyn Weygan-Hildebrand, Employment Analyst
Audrey Yasutake, Secretary
Jennie Fujimoto, Student Intern
Caroline Matsumoto, Student Intern

WORKFORCE DEVELOPMENT COUNCIL

Benjamin J. Cayetano
Governor



Richard Hashimoto
Council Chairperson

Sybil S.Y. Kyi
Executive Director

Department of Labor and Industrial Relations

January 2002

The Honorable Benjamin J. Cayetano
Governor, State of Hawaii
State Capitol
Honolulu, Hawaii 96813

Dear Governor Cayetano:

I am pleased to transmit the *2002 Report to the Governor on Hawaii Workforce Development* on behalf of the Workforce Development Council.

Part I is a Policy Brief, presenting the Council's recommendations for economic stimulus post-September 11th. The recommendations emphasize the need to:

- Use this "down" time to upgrade our population's skills.
- Send more students in K-12 into the math and science pipeline so their options are greater when they graduate into jobs and higher education.
- Enhance Hawaii's attractiveness to business through better information, schools, government responsiveness, and transportation.

Part II consists of Hawaii's first annual report on the Workforce Investment Act (WIA), which was submitted to the U. S. Department of Labor on November 30, 2001. WIA implementation focused on initial development, collaboration, and training by the state council and four local boards and their staff, the statewide and local operating agencies, the statewide and local partners, and the training and youth service providers.

Part III of the report continues the annual inventory of workforce development programs and workforce service providers. Hawaii currently invests over \$75 million of federal funds and \$25 million of State funds in its workforce.

Sincerely,

E. Micheal Boughton
Chairman

Policy Brief: Hawaii Workforce Initiatives for Economic Stimulus

*PART I of
2002 Report to the Governor on
Hawaii Workforce Development*

Table of Contents

Policy Brief: Hawaii Workforce Initiatives for Economic Stimulus	1
The Hawaii Workforce System Responds	1
Proposed Workforce Measures for Economic Stimulus	3
Technology Factors.....	3
Access to Markets	4
Financial Capital.....	5
Workforce Availability and Cost	5
Education and Training.....	6
Hawaii's Workforce System: A Private/Public Partnership Prepares to Meet the Challenges of 9/11.....	8
What We Must Do To Be A New Economy Workforce.....	11
Proposed Workforce Strategies for Local Communities.....	15
Summary of NGA Survey Results	19
History of the Workforce Development Council	23

The *2002 Report to the Governor on Hawaii Workforce Development* consists of three related parts:

- I. Policy Brief: Hawaii Workforce Initiatives for Economic Stimulus
- II. Year 1 Implementation of the Workforce Investment Act
- III. Inventory of Workforce Development Programs

POLICY BRIEF: HAWAII WORKFORCE INITIATIVES FOR ECONOMIC STIMULUS

On September 11th, the Hawaii Workforce Development Council was winding down its first hosting of a National Governors' Association meeting of State Workforce Board Chairs. In the days that followed, there was time for reflection when not grieving and bonding with our colleagues. Ironically, the Association discussed a draft white paper, "An Economy at Risk," quoting Candoleeza Rice, the President's National Security Advisor, who provided a guiding challenge in a 2000 speech:

"There is a growing gap between the knowledge based, technology intensive jobs that are driving the U.S. Economy, and the skills of the American workers. Education is the top national security issue of the 21st Century."¹

The chairs' association draft paper observes that the so-called "old economy" valued workers with a mastery of highly specialized, often repetitive, job-specific tasks. In contrast, the new economy demands broad skills, speed, flexibility, cross training, multi-tasking, teaming and project-based work. Demands for higher skill levels increase the mismatch between jobs being created and the qualifications of the workers available.

Adding to the imbalance are demographic realities that show that: 1) although the number of students entering postsecondary education will increase in the period through the year 2020, the number of jobs requiring higher education will grow even faster, and 2) experienced older workers will be retiring in large numbers, beginning in 2010 as baby boomers exit the workforce.

Prior to September 11th, the Workforce Development Council prepared a policy document addressing these long-range concerns titled, "What We Must Do to Be a New Economy Workforce." It is presented on pages 11-14. This brief is intended as a short-range set of proposed actions linked to the broad, long-term views.

THE HAWAII WORKFORCE SYSTEM RESPONDS

The operational units of the workforce system are led by the four counties' respective Local Workforce Investment Boards and the Hawaii Department of Labor and Industrial Relations. The 13 one-stop career and employment centers deployed statewide, responded promptly to companies forced to down-size because of sharply declining business, to their dislocated workers, and to the growing numbers of unemployed and underemployed. The 9/11 tragedy fell hard on Hawaii's air transportation, hospitality and retail businesses. The first line

¹ Note: These remarks were delivered long before the 9/11/01 events which brought terrorism to the forefront of national security issues. In the longer view the need for a trained and capable workforce will probably assume even greater importance to the U.S. and Hawaii.

of defense for the affected workers is unemployment compensation and extended health benefits. The Hawaii State Legislature was called into special session for two weeks to deal with the economic and security crisis following September 11th. The Legislature passed 15 measures, one of which gave the Governor broad temporary powers until April 30, 2002. Also among the measures were the extension of supplemental unemployment insurance benefits for 13 weeks and assistance in continuing health insurance for persons entitled to the Consolidated Omnibus Budget Reconciliation Act (COBRA) for three months from the date of loss of coverage.

Unemployment as of October 2001 is 5.2 percent, an estimated 31,700 unemployed. Of those an estimated 50 percent are insured, i.e., collecting unemployment benefits. The highest numbers of insured unemployed are from the services, hotels, construction and retail trades with 43, 28, 16 and 16 percent shares respectively, of the total. Most significant is that, of these industries, hotels registered the greatest loss in comparison to a year ago as well as for one month ago. Construction unemployment displayed the least change, but is still at higher levels compared over the same time periods. The airline and hotel industries are the most immediately affected by the events of September 11th and the most vulnerable to ongoing terrorism and security issues.

The opportunity for businesses to recoup losses in tourism will depend on visitor comfort with airline security measures, attractive price rates and family decisions on vacation travel destinations. Business travel and meetings will likely remain low in the short term due to the urgencies of businesses' cost reductions to cope with the economic downturn through reorganization and possible worker layoff.

For the recent winter college graduates, it has been a difficult job market. Many vibrant technology companies of a year ago are struggling. Transportation and recreation venues are working to reassure their customers and offer special rates. Sales and marketing enterprises seek new ways to regain consumers. The best fields for employment opportunities are the health and wellness occupations, a growing range of law enforcement and protective service occupations from airport and hotel security to chemical and biological hazards, and education and human service occupations. The demographic factor is of prime significance for high-skilled clusters like educators, nurses, social workers and employment counselors who are retiring with inadequate numbers in the supply pipeline to replace them.

RECOMMENDATIONS:

- 1) Support measures to extend unemployment benefits for an added thirteen weeks and to regain dislocated worker funds placed under rescission by Congress last July;*
- 2) Seek new funds and ways to deliver skill training to the unemployed who are ineligible for present training sources, and to incumbent workers, especially those who are underemployed; and*
- 3) Seek new legislation to support extended employment training, public works programs incorporating skill training and emergency health benefits for those who lost their jobs due to the events of 9/11.*

PROPOSED WORKFORCE MEASURES FOR ECONOMIC STIMULUS

In “The Honolulu Benchmark Report,” the authors, Chabin Concepts, presented an assessment of Honolulu’s economy based on factors comparable with other urban areas. The analysis was done for Enterprise Honolulu² and was completed before 9/11. In terms of established workforce performance measures and because Honolulu remains dominant in its share of the statewide demographics and most economic, workforce, education and social indices, this assessment can help to define workforce measures which would be most beneficial to the desired future state economy.

Five of the Chabin assessment factors were selected in this brief’s discussion for their pertinence to urgent workforce issues and because they raise concerns that bear on the economic stimulus discussion. The five are

- Technology Factors,
- Access to Markets,
- Financial Capital,
- Workforce Availability and Cost, and
- Higher Education and Training.

TECHNOLOGY FACTORS

Investment in skilled technology education and training programs is not new for Hawaii. The Chabin study characterizes the present investment as only providing a moderate number of science and engineering graduates. It advises that programs supporting these skill sets must be promoted to attract additional students.

There are several underlying limitations to supply growth in the science and engineering pipeline in Hawaii. The most serious are the shortage of qualified science and math teachers and the lack of a career counseling and guidance system in the K-12 public education system. The school system is providing neither adequate preparation for technology-based career choices nor effective counseling to guide students toward them. The College of Engineering at UH has embarked on an ambitious endowment program to support its facilities, faculty and students. The endowment programs for Honolulu’s prestigious private high schools model the preparatory environment that these far more important professional colleges need in order to have the desired effect on the state’s economy.

RECOMMENDATIONS:

- 1) *Ensure a long-term state commitment to funding science, technology and engineering programs at all levels of education; and*

² Formerly the Oahu Economic Development Board.

- 2) *Insist that the Department of Education restore a career development and guidance system with dedicated staff responsibility and with particular attention to fostering student interest and participation in science, technology and engineering clusters.*

ACCESS TO MARKETS

The events of 9/11 also remind Hawaii residents of the state's fragile transportation lifelines between islands and to out-of-state locations. On the mainland, goods and passengers move in a variety of ways, according to distance, time and cost requirements. Will the state continue to rely almost entirely on the major air carriers who depend on the tourism trade? The Chabin study points out that, "The types of transportation alternatives will determine the kinds of products that are potentially viable for local production." We must assign priorities to transportation alternatives by land, ocean or air, and build up those that are needed for our 21st century island state. By most popular consensus, the inter-island air carriers and the Honolulu bus system are effective assets. What have long been missing are public bus transportation systems for the major neighbor islands to expedite school and work commuting. There currently exist limited bus services such as the Maui Economic Opportunity (MEO) bus services for their participants, subsidized by a combination of public funds and private industry. Another need for effective land transportation is the construction of highways connecting residential areas with employment centers. In times of homeland defense, some roads could also be considered of security and emergency importance as well as providing employment access. For example, the Big Island's Saddle Road, the Haleakala mountain highway and the West Kauai highway all connect to military defense areas. Under such measures, priority for improvements on Haleakala, West Kauai and Big Island Saddle roads seem warranted for construction upgrade.

Airlines carry passengers and airfreight and barges transport the heavier cargo for and from the mainland U.S. among the several islands. What Hawaii products could be further developed for the export market? Mariculture has received some success and high-end products like seaweed and gourmet fish and crustaceans would likely find receptive seafood markets. There are substantial numbers of expatriate Hawaiians in other states, as well as visitors, who are eager customers for made-in-Hawaii products. Would new Hawaii employer, Macy's, be receptive to housing a "Hawaii Store" corner in their major western stores? Hawaiian music, tropical flora, ornamental plants and selective food and wood products are some of the wares that could fill the shelves of a "Hawaii Store" which would be a constant marketing presence in major cities.

RECOMMENDATIONS:

- 1) *Improve and expand transportation access for workers to employment centers on all major islands;*
- 2) *Consider growth capacity of air cargo carriers to export new Hawaii products centered on trial retail centers in major visitor markets to help diversify and support expanding employment, and*
- 3) *Encourage development of trial retail centers in major visitor markets.*

FINANCIAL CAPITAL

In the draft book chapter on “Natural Amenities, Economic Development and Smart Growth,” Dr. Joel Hirschorn of the National Governors’ Association, referred to factors deemed essential to a high quality of life as “amenities”. Hawaii is already recognized as a location that is amenity-rich with an abundance of open vistas, multi-cultural experiences and environmental attractions. In a survey of foreign-owned companies in North Carolina, executives responded that the reasons for selecting a company location were based foremost on the quality and availability of labor and transportation, closely followed by the quality of life and the general business climate. Ranking near the bottom of the list of factors were tax incentives, site assistance, government financing and state marketing assistance.

The quality of life includes the natural resources, the community livability, the affordability of housing, the quality of the schools, and the availability of cultural offerings. Past reports indicate that concerns about Hawaii’s business climate, cost of housing and quality of schools must be overcome by publicizing the right information, preferably communicated by business. At the same time, there is always room for improvements such as raising the bar for quick turn-around services to businesses and engaging businesses and the community in local school improvements.

The Chabin study claims that the most effective way to attract venture capital is for successful businesses to tell their stories to other businesses. Particularly for Asian investors, hearing of positive experiences from current investors will help to attract other investors. The accretion of venture capital tends to focus on cluster development based on the success of certain sites and certain types of business networks.

RECOMMENDATIONS:

- 1) Identify the industry clusters and business locations that will be the focus of venture capital development;*
- 2) Involve financial institutions in the process of establishing networks between entrepreneurs and venture capital providers, utilizing their expertise to access the best sources of funding; and*
- 3) Seek both public and private funding for human capital investments, particularly if new skill sets must be imported, developed and learned by the local workforce.*

WORKFORCE AVAILABILITY AND COST

It is clear both from the “Economy at Risk” draft NGA report and the Chabin report for Enterprise Honolulu, that a premium workforce is one of the most important factors in business site selection. What the Chabin study further clarifies is that it is the skill mix that is most important. High skills, i.e., those that require postsecondary education and training, and require critical thinking, writing, reading and verbal skills, and qualities of teamwork and

communication, must be a significant portion of the mix. The available skills of the community's workforce should match the skill needs of the industry clusters selected for development.

What these reports might also have included is a certain quality of cultural diversity that pervades Hawaii and most of its residents. We get along with people of different ethnic backgrounds, religious beliefs and country origins. It is not perfect; immigrant groups will always experience acculturation adjustments, but the presence of a plurality of ethnic groups where none is dominant provides respect and recognition for all cultures, practices and beliefs. In interactions with Pacific and Asian businesses, this is an advantage.

Our labor market must compete with the rest of the world on cost as well as capability. The cost of living and the supply shortage cause higher wages for high demand skilled health and technical workers. Health insurance costs and unionized jobs also contribute to the cost of doing business, according to the Chabin report. Increasing the investment in training will expand the supply of workers and lessen the need to pay premium wages in shortage occupations.

RECOMMENDATIONS:

- 1) Conduct an assessment of the skill mix in Hawaii's local workforce areas to compare with the industry clusters designated for development, and identify the mismatches; and*
- 2) Identify the labor shortage high demand occupations and increase the supply in the education and training pipeline, by providing resources to the programs that can respond most efficiently.*

EDUCATION AND TRAINING

The churning of education reform initiatives in the K-12 public schools has continued to cause concern and confusion among administrators and teachers in the local schools. The workforce system's primary expectations of education are preparation of the future workforce, and continuing education and training of the current workforce to meet changing and competitive economic demands. In the K-12 public education system, the initiatives which best ensure these outcomes are Tech-Prep in career and technical education and the School-to-work system. Tech-Prep provides academic-technical consortia development of contextual curricula in six broad career pathways encompassing the industries and occupations in Hawaii. School-to-work provides the glue of local school/community/business partnerships to initiate and follow through on local school changes and responses to education, economic and workforce needs.

The critical role of postsecondary and continuing education in the quality improvement of the workforce is long recognized. It is also the key to increasing the knowledge-based skills mix to match the state's aspirations in diversifying the state's economy to include a wider range of technology sectors. The major responsibility for this rests with the University of Hawaii system because a public state university must respond to the communities' needs. There are other growing private postsecondary institutions, such as Hawaii Pacific University, that are

contributing to the workforce. Such institutions seem to be capable of responding quickly and may be willing to do more.

Businesses that are capable of competing in a changing world must constantly adjust to the economic climate. Knowledge-based industries are also learning organizations and their workers compete to be on the cutting edge of their skills. Training incumbent workers has become essential to all businesses, whether it is conducted in-house or through external training sites. States that do business in the global marketplace have dedicated incumbent worker training programs to ensure that their companies and workers are world class competitors. For example, Georgia's vocational-technical programs deliver customized training to their business clusters and California's Employment Training Panel delivers training through their Regional Occupation Programs to companies and industries on a reimbursable basis and with strict accountability standards. The economic rationale for such investment is the fact that most of tomorrow's workforce is already working today, and without continuing training most do not have the requisite skills to maintain their employability for their company.

The sharp rise in unemployment following 9/11 has raised the need for assessing transferable skills. What skills does a person bring from a job no longer needed, that could be used at least in part for a job that is available? For example, would workers from the transportation industry have the more important skills needed for new protective security occupations? Recent occupational classification studies and training analyses such as O-Net and Skills-Net™³, can be put to the test in developing incumbent worker training to fit current employment demands.

Education and workforce training have learned the value of working in collaboration with business and industry customers who will someday employ their students. The world of business moves quickly, and often education lags, demanding still more discussion time! There is no substitute for direct and continuing business input to keep an education career program fresh and relevant to current needs. Teachers who are most effective in producing workers for an industry field participate in that field to know what their students will face. A variety of field experiences can be arranged through student work cooperatives, work study, internship and community service programs. Teacher internships provide valuable experiential learning for teachers who have not worked outside the classroom.

RECOMMENDATIONS:

- 1) The local workforce investment boards and their youth councils, and local education schools and partnerships support or continue to support Tech-Prep development of integrated curricula in the six career pathways and school-to-work system building partnerships;*
- 2) Request that the University of Hawaii system include proposals in its expansion plans for rural Oahu and the neighbor islands, to implement collaborative networks*

³ O-Net is an occupation classification and assessment system produced by the U.S. Department of Labor. Skills-Net™ is a private vendor occupation classification and job matching system based on O-Net and requiring employers' input.

- between business and industry and the appropriate university program, and to communicate changes occurring in the business world to the education programs;*
- 3) Charge a task group to propose the methods and funding sources for an ongoing public-private incumbent worker training program taking into account the experiences gained from previous incumbent worker training programs and projects, and in particular, the legislative auditor's report on the State Employment Training Fund; and*
 - 4) Request DLIR to implement a pilot project on identifying common transferable skills for major occupations in Hawaii to expedite cluster-related training and skill upgrading in workforce training programs.*

HAWAII'S WORKFORCE SYSTEM: A PRIVATE/PUBLIC PARTNERSHIP PREPARES TO MEET THE CHALLENGES OF 9/11

The catastrophic events of 9/11 have thrust Hawaii's economy and workforce into induced recession times. Economists forecast that business uncertainties and employment losses will continue in the sectors most affected: transportation and tourism. Legislation is anticipated from both the national and state levels to provide additional resources for unemployment benefits, training for dislocated workers and for public works programs. Employment and training programs are also reassessing their plans to see what more can be done to directly help impacted businesses and workers.

Leading this workforce community effort are the Hawaii Workforce Development Council (WDC) and the four county Local Workforce Investment Boards (LWIBs). In order to address the above proposed workforce measures and to gather a broad spectrum of other needs and ideas from the state's communities, the WDC is proposing to help organize with the LWIBs, community forums in each county. These forums may be held separately or in conjunction with two organized activity events that are described in "Proposed Workforce Strategies for Local Communities" on pages 15-18.

The Hawaii Workforce Development Council participates actively in the National Governors' Association (NGA) with sister state workforce boards. An October 2001 survey of state workforce officials by NGA yielded many suggested changes in legislation and administrative rules and procedures. These changes were clearly motivated by 9/11 and subsequent declining economic conditions. The most highly emphasized is the expected repeal of Congress' rescission of \$177.5 million in Workforce Investment Act (WIA) program year 2001 dislocated worker funds, together with flexibility in funding use between target population categories to address specific local workforce needs. The "Summary of Results" is presented on pages 19-22.

The WDC will continue to advocate changes which will bring more workforce resources to the state and measures to enable responsiveness to local communities' needs and emergency economic and security conditions. The council will work even more closely with the local workforce boards to ensure aligned policies and removal of barriers to implementation. While

priority must be focused on short-term measures to provide a safety net for the unemployed, long-term building for an economic future can only be accomplished through continued systematic development and collaboration among workforce, education and business partners. We have a system in being designed and built to do both. To do less would miss or ignore the lessons of the past. We must not lessen our obligations in human investments for the growth of the state's future workforce and the skills needed to survive in a brave new world. We are prepared and ready.



WHAT WE
MUST DO
TO BE A
NEW ECONOMY
WORKFORCE

HAWAII'S WORKFORCE PARTNERSHIP STRATEGY

EIGHT KEY WORKFORCE FACTORS IN

Tightened Labor Market

All levels of the labor market will be faced with a short supply of workers, but most noticeably at the entry level. Raising productivity will become imperative and people are commonly being replaced with technology. We need to keep the workers we have and lure “ex-patriates” home.

Incumbent Workers Training

Listed are some implications that should enable all employees to stay in tune with new trends in the work environment.

- ◆ Most occupations will require new tools and skills.
- ◆ Increased productivity will be the goal for employers.
- ◆ Use of the internet for e-commerce and information will increase. All workers will need to know how to use computers, interactive TV, and mobile, wireless communication.
- ◆ Immigrants who may be brought in to increase the supply of labor will need training.
- ◆ Entry workers who cut short their education to take advantage of high starting salaries will need training.
- ◆ Those who rapidly advance into mid- and upper-level positions, thanks to labor shortages, will need training.
- ◆ The state must respond positively to new economic development opportunities.
- ◆ Seventy-five percent (75%) of the future workforce is already working.
- ◆ Oahu employers have identified computers, customer service and sales as the most needed skills.

Skill Standards

All workers should be equipped with the most basic work-readiness skills, including computer technology. Our young people must enter the math and science pipelines early so they may choose and be ready for the high technology industries that Hawaii is welcoming. There is also a growing need for Asia-Pacific skills in language, culture, and international law in Hawai'i because of its history and key geographic location. Entrepreneurship skills allow a person to transform any type of work or product into one's own business. Career pathways and work-based learning combine to hone the skills that employers have defined for their industries.

Workplace Changes

New demands in the work environment call for alternative work arrangements (telecommuting and job sharing), downsizing, doing more with less, decreasing specialization. Workers expect to hold several jobs in the course of their career. The number of contingent workers is increasing. Hawai'i risks a widening income and social schism unless more



Workforce Development Council members discuss programs and issues to improve the Hawai'i workforce.

HAWAII OVER THE NEXT EIGHT YEARS

attention is devoted to sectors that can absorb large numbers of unskilled and semi-skilled workers and assist them in developing satisfying, life-long careers.

Increased Participation

Hawaii will need to increase the rate of participation from previously underrepresented groups that include women, the disabled, retirees, people with drug and criminal backgrounds.

Youth Strategies

A combined effort from different sources are needed to assure that youth of Hawai'i are workforce-ready. Some possible steps include:

- ◆ Career planning and transition from school to the world of work.
- ◆ Helping slower students to learn and earn their diplomas.
- ◆ Decrease the number of drop-outs.
- ◆ Retrieving out-of-school youth and preparing them for work.

Students participating in the Ola I Ka Nana program on Hawai'i fill out applications at a recent job club meeting.



Industry Shifts

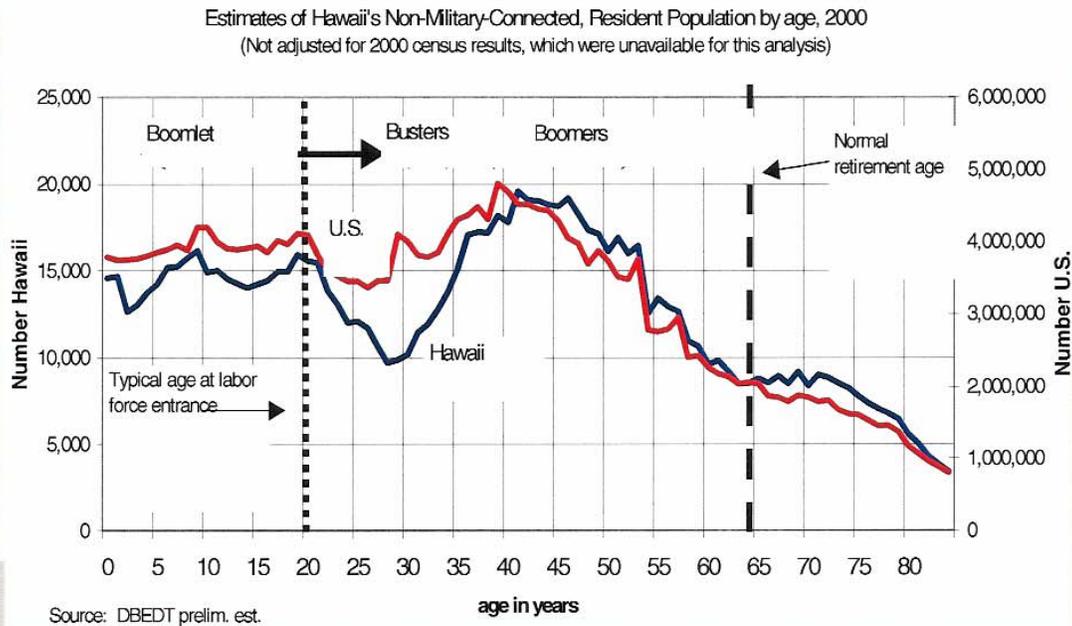
The growing needs of the Hawai'i population and businesses are changing the focus of several industries. Here are some expected shifts in different Hawai'i industries.

- ◆ The large health-medical and social service sectors will have substantially increased labor demand to care for the State's aging population.
- ◆ The giant tourism industry will need activities and infrastructure to suit the older traveling population.
- ◆ Our vulnerability to climate related factors may increase investment in retrofitting buildings, houses, and infrastructure with better technology to weather storms & environmental problems.
- ◆ Entrepreneurship is growing.
- ◆ The large defense industry in Hawai'i is reorganizing and outsourcing.
- ◆ A state priority is to expand and diversify economy of Hawai'i, specifically focusing on telecommunications, information technology, biotechnology, environmental science, and healthcare technology.

Accountability

Congress and taxpayers of Hawai'i should demand to know what they are getting for their investment and expect continuous improvements. Just as important, employers should expect certificates and high school diplomas to represent meaningful abilities. This can all be accounted for by measuring improved skills, job placement, wages, and customer satisfaction.

WHO "WILL BE" IN HAWAII'S WORKFORCE?



Moving from boomers to boomlet*

The most significant demographic trend that workforce development will need to contend with over the next two to three decades is the aging of the baby boom generation, many of whom will be reaching early retirement age in just a few years.

Behind the boomers are the "Generation X" and "baby boomlet". This small labor pool, combined with a potentially large number of retirements, raises the likelihood of an overall labor shortage.

If the labor supply is tight, there will be increased pressure for higher wages, which may force up prices for goods and services. This all suggests that a rising level of interest rates and inflation are a real possibility over the next several decades.

Whether or not the economy can meet the challenge of the baby boom retirements depends on how policy and programs can anticipate the situation and counter it with

other resources. Increasing the level of technology in industry, particularly services, could help increase the productivity of a smaller and perhaps highly paid workforce and still keep inflation in check.

Another resource is underutilized labor. There are large numbers of people not currently attractive to the labor market for various reasons ranging from a lack of skills to physical and social disabilities. Efforts to raise the productivity and contribution of these people could help balance the retirement of baby boomers. Immigration policy represents another potential resource for increasing the labor supply.

* *This is a condensed version of the Environmental Scan found in the Hawai'i Workforce Development Council's 2001 Report to the Governor.*

PROPOSED WORKFORCE STRATEGIES FOR LOCAL COMMUNITIES

COMMUNITY BUSINESS AND JOB FAIRS (CBJF)

Job fairs are familiar and tested venues for matching job seekers with employers and job placement agencies. As more job seekers are discovering that they need new skills and support services, education and training providers and resource support agencies are also joining the fairs. Jeff Bloom, President of the Computer Training Academy and Select Staffing Services, and a member of the WDC, is a frequent job fair participant. Bloom also believes in the early exposure to computer training for young people and provides free time at his training labs for teachers and students. His observation of job fairs is that they provide excellent networking opportunities and little immediate job results. Among the reasons may be 1) that employers need more information from the job applicants and 2) that job applicants are not prepared for the employment interviewing and application process. A common and growing problem is that the job skills of the applicant do not directly match the skills required in the job opening. An assessment of the applicant's transferable skills and even life (hobbies, interests) skills can also be helpful. Through informal council discussions, a "Bloom Model" for community business and job fairs (CBJF) is proposed for discussion with the local workforce investment boards (LWIBs) and is included in the plan for the local boards to sponsor CBJFs over the coming months.

Proposed guidelines for the organization of CBJFs:

1. They will be led by the LWIBs with funding and/or technical assistance from the Department of Labor and Industrial Relations;
2. They will be sponsored and organized in systems strategy:
 - a. Businesses or employers will occupy the economic development section under the leadership of the local economic development board, chambers of commerce and other local business groups;
 - b. Education and training providers will occupy the education section under the leadership of the Workforce Investment Act (WIA) local education and training WIA partners; and
 - c. WIA one-stop centers, Alu Like, community-based organizations and other employment placement agencies, including private temporary hire companies, will occupy the workforce section under the leadership of the LWIBs.

3. They will be held in regional community locations close to employment centers with available parking and bus service.
4. They will be organized according to the “Bloom Model,”¹ on a pilot basis. The layout scheme for this model is process development oriented to insure that the job seeker is prepared for the steps in the job fair. The rationale for this process is that unprepared job seekers waste their time and expense and the time and expense of the participating employers, agencies and organizations. It can also be a learning experience for both job seekers and sponsoring organizations.

Description of the “Bloom Model”:

A. AM I PREPARED FOR THE JOB FAIR?

In the job fair publicity, job seekers are advised to bring this information: birthdate document, social security number, proof of diploma, degree or certificate, driver’s license, resume, etc. At the fair, the job seeker signs in and fills out a checklist (computer entry option) and goes to a required 15 minute orientation session which reviews the checklist, explains the need to answer the questions, reviews the purposes of the fair, describes the various sections, the planned process and desired outcomes.

B. WHAT ARE MY ASSETS? (Optional, may be a group process)

A professional or volunteer will review the checklist and resume of the job seeker and advise on occupations for which they are qualified and those they might explore based upon their avocation experiences and interests.

C. NAVIGATING THE JOB MARKET (Individual search and interviews)

1. WHAT MATCHES MY SKILLS?
2. WHAT MATCHES MY REAL INTERESTS?

D. WHAT RESOURCES DO I NEED AND HOW DO I GET THEM?

Agencies providing child care, transportation, short term training and other services will be asked to staff booths and provide information.

¹ The Oahu Workforce Investment Board’s “Oahu Economic Recovery Plan” dated October 6th and submitted to Mayor Jeremy Harris, includes many good suggestion for specialized community events such as job fairs.

COMMUNITY SKILLS PROGRAMS

Times of crisis do bring opportunities. Hawaii must focus on providing the kinds of education and skill training that will upgrade the quality of the state's workforce, bring new skills to the state and improve the skill mix of our labor supply. In community forums, the WDC and LWIBs may be able to obtain some consensus on the following questions:

1. What are the industry and occupation cluster choices for each of the county communities?
2. How do these industry and occupation choices match the labor supply and the education and training choices present in the respective communities?
3. If there are discrepancies, what must be done to insure convergence between economic demand and worker supply?

Education and training resources need to support the consensus, particularly for diversified technology industries. The prominent workforce strategies among the leading economic development states are focusing on industry clusters, training workers to credentialed skills and responding to the events of 9/11 by upgrading skills in the security technology field. The "back to work" slogan of the proposed national legislation (H.R. 3112, S.1532) may not necessarily mean back to the same job, but one that is linked by transferable skills augmented by appropriate training and made necessary by a world that has changed.

Summary of NGA Survey Results

NGA Survey of State Workforce Development Officials Proposals for Strengthening Workforce Investment Act (WIA) Programs

In connection with economic stimulus proposals, NGA asked states to suggest changes to federal legislation, regulation, or guidance in order to strengthen the capacity of Workforce Investment Act (WIA) programs to respond to the needs of workers and employers affected by current economic contractions. The following summarizes ideas suggested in early October 2001 by Governor's offices, state workforce boards, state agency heads, and state workforce liaisons.

CHALLENGES REQUIRING LEGISLATION

Rescission of WIA Dislocated Worker Funds

Advocate repeal of the \$177.5 million rescission of funds for the program year 2001 WIA dislocated worker program as a final step following the Secretary of Labor's recent decision, which we applaud, to delay application of the rescission.

More Flexibility in Transferring Funds to Critical Needs

Authorize Governors to approve transfer of funds among adult, youth, and dislocated worker programs to fit critical local needs, such as effects of an economic emergency.

Expanded Eligibility for WIA/WtW Training

Support expanding current eligibility categories in state dislocated worker programs for those who become unemployed due to natural disaster or national emergency conditions or have become long-term unemployed, and in welfare-to-work programs to encompass successor parents, heads of household, or breadwinners in families where the person formerly in those roles has died or become disabled.

Use of Remaining Welfare-to-Work Funds

Suspend the match requirement that now triggers state/local expenditures, and allow redistribution of approximately \$50 million recently turned back by States.

CHALLENGES TO ADDRESS ADMINISTRATIVELY

Streamline and Simplify WIA Performance Indicators

Develop a new plan for a strong but streamlined performance measurement and accountability framework to replace the current blanket of federally prescribed data collection that burdens state and local workforce development systems, pre-empts important categories of data that state and local officials need to manage their programs, and absorbs resources needed for responsive and productive programs. Rethink the relationship between the small number of statutory performance indicators and the dozens of other indicators for individual participant records, quarterly and annual performance reports, and eligible training provider certification, along with indicators for related programs that must be understood and taken into account.

Remove Disincentives to Eligible Training Providers

Advise Governors of the extent of their option to extend the initial period of eligibility, i.e., defer application of "subsequent certification, " of eligible training programs (currently based on highly detailed criteria that are driving educational institutions, apprenticeship programs, and other qualified providers away from WIA participants).

Align Federal Partner Programs in One-Stop Centers

Convene federal partner agencies for a joint initiative to align federal regulations and messages that undermine support for and participation in one-stop centers. The initiative should address common management and performance information, cost-sharing, resource allocation, joint case management, and sharing, processing, and servicing of participants. Alignment efforts should encompass trade adjustment, veterans employment, and other distinct programs within the Labor Department.

Encourage More Access to WIA Training

Finalize and issue policy guidance encouraging state and local WIA officials to ensure that enrollment in training is not blocked or delayed by unduly rigid application of WIA eligibility criteria for intensive services and training.

Expedite Readjustment and Training for Dislocated Workers

Highlight state and local flexibility in applying eligibility criteria to permit rapid passage through core and intensive services and ready presumption that other work is not available. Eliminate the wage-replacement performance standard (the perverse effect of which is to discourage enrollment of high-wage workers when replacement jobs are not available at similar pay levels).

Ensure Basic Literacy Competencies as Intensive Services

Clarify that certain short-term training is a WIA intensive service, including computer literacy, English as a second language, and basic skills enhancement.

Pursue Coordination of Pell Grant and ITA Funding of Training

Seek an understanding between the Departments of Labor and Education on how and to what extent Pell Grant and other Individual Training Account (ITA) funds may be commingled and used simultaneously so that subsistence funds available under the Pell Grant are not captured first by educational institutions for tuition, leaving the student with only ITA funds (which are also available for tuition but not for subsistence) and needs-related payments (which are insufficient for most), or unemployment benefits (which are short-term and much less than customary earnings).

Increase Income Support for Participants in Training

Encourage and support additional funding for longer term stipends and needs-related payments while in training, as well as paid time in class while participating in intensive courses of training.

Remove Barriers to Employer-Sponsored Customized Training

Encourage use of local WIA formula funds for classroom-sized training of dislocated workers and for layoff aversion efforts to upgrade skills of current workers whose jobs are in jeopardy, encouraging employers to keep employees on the payroll while in training. Give states flexibility to relax employer 50-percent match requirements, employer record keeping, and limitations on sole source contracts.

Clarify Flexibility to Capitalize on Unutilized Funds

Authorize Governors to receive and accept from local programs any give-backs of excess low-priority local WIA funds and use them for statewide purposes.

Resolve Barriers to Swift Award of National Emergency Grants

Streamline the cumbersome and time consuming application process for national emergency grants (NEGs) to expand pre-award funding for projects (reducing reliance on loans from formula funds) and to speed approval and delivery of full funding.

Defer Monetary Sanctions of Performance

Suspend use of grant reductions as performance sanctions under WIA in the event of a national economic emergency or until currently unavailable common data can be collected and readily utilized. This would ease the threat of penalty that currently delays decisions at one-stop centers to refer applicants to intensive services or

training. In addition, temporarily defer adverse audit determinations and debt collections from grantees whose past expenditures were questioned.

Expand the Utility of Remaining Welfare-to-Work Funds

Authorize Governors to recapture unutilized funds by appropriate means, such as use of other factors, including projected data, and to redistribute the funds to areas with greater need. Issue unilateral modifications automatically extending WtW grants for their full term as authorized by law, subject to negotiation and acceptance by the grantee of the terms and conditions of the proposed modification. Allow states more flexibility in meeting federal limits on participation in WtW services.

Enhance Employer Participation on Workforce Boards

Relax federal regulations on the state and local board membership requirements and structural changes, thus allowing smaller and more effective decision-making bodies while respecting basic purposes of a strategic leadership body under the WIA. This will improve employers' sense of successful contribution to the workforce development system and encourage them to stay engaged in this time of need.

Continue Financial Support for Quality and Capacity-Building Initiatives

To manifest support for high-quality programs and outcomes, publicly reaffirm support for the Workforce Excellence Network and the National Leadership Institute by announcing continued funding from financial resources not already committed to other purposes, by expanding participation in the capacity-building and continuous improvement initiatives that are central to the quality movement, and by emphasizing the potential of state quality councils.

October 23, 2001

National Governors Association

HISTORY OF THE

WORKFORCE DEVELOPMENT COUNCIL

1997-2002

July 1997	Act 346-97 created the Workforce Development Council (WDC), consolidating four other councils
November 1997	Workshop held by organizers of Council to introduce Workforce Investment Act (WIA)
January 1998	Convened as WDC
March 1998	Published <i>1998 Report to the Governor on Workforce Development</i> , outlining the WDC goals: <ul style="list-style-type: none">• Improve opportunities for people to be self-sufficient, competitive workers• Increase the productivity of work places• Strengthen the economy by improving the workforce• Coordinate workforce policies, strategies, and funding streams
April 1998	Adopted WDC bylaws
June 1998	Conducted statewide focus groups on workforce development needs and economic trends Held Welfare-to-Work community meetings
1998-2002	Executive Director participated in the Forestry Initiative, School-to-Work (STW) local board and state advisory staff capacity, and health and travel career academies
February 1999	Published <i>1999 Report to the Governor on Workforce Development</i> , revising the workforce development strategic plan to focus on a small number of high level outcome indicators
July 1999	Act 72-99 increased the board size to 29, designated WDC to fulfill the functions of the State Workforce Investment Board for WIA purposes, and assigned WDC the responsibility for Section 118 of the federal Perkins Act
1999-2000	Coordinated development of WIA Unified State Plan (submitted March 2000) Designated four counties as local workforce investment areas

Dr. Robert Allen contract on key stakeholders and research for Economic and Workforce

Development priorities

	Dr. Jonathan Wang contract, produced design model for strategic workforce system database
1999-2001	Coordinated work groups and communication links via statewide committees/work groups on Communications, Performance Measures, Training Providers, Youth Services
	Executive Director participated in the Millennium Workforce Initiative Steering Committee
October 1999	Adopted the goals and guiding principles of the Millennium Workforce Initiative
March 2000	Submitted first WIA Unified State Plan
	Published <i>2000 Report to the Governor on Hawaii Workforce Development</i> , presenting key informants' "Perspectives on Hawaii's Economic and Workforce Development Priorities" and the transitional steps to WIA
April 2000	Adopted a position supporting the continuation of the Employment and Training Fund (ETF)
June 2000	Revised and re-submitted WIA Unified State Plan
	Approved the four counties' five-year plans
	Held a training workshop on the Role of Youth Councils
July 2000	Act 104-00 added the Governor as a WDC member and increased the Council size to 31 members
	Held Workforce Community Forum on workforce development needs
	Won America's Career Resource Network (ACRN) grant
August 2000	Adopted guidelines for Incumbent Worker projects
	Held training Conference for youth councils and service providers: Kukulū Kumuhana - Pooling Our Resources

- January 2001 Published *2001 Report to the Governor* in three parts:
- I. The Hawaii Workforce Development Strategic Plan: Moving Implementation Forward
 - II. Implementation of the Workforce Investment Act
 - III. Inventory of Workforce Development Programs
- April 2001 Approved apprenticeship policy promoting apprenticeship for youth:
- a. Support/assist employers and unions who wish to establish pre-apprenticeship programs for youth in high school
 - b. Market and describe work-based learning activities to employers
 - c. Promulgate to employers and schools that internships maintain these high standards adapted from the apprenticeship model:
 - i. To include an agreement between the training sponsor and the trainee on the process and outcomes of training.
 - ii. The basic format of structured on-the-job training combined with classroom or theoretical instruction.
 - iii. The dedicated time and role of a mentor or skilled supervisor.
- June 2001 Submitted amendments to WIA State Unified Plan
- Developed training team for Real Games career exploration
- Adopted WDC Plan for Evaluation studies, a required state activity under WIA
- Developed One-Stop Assessment Tool for Councils and started assessment visits
- July 2001 Introduced Baldrige Criteria into the WIA incentive awards for regional cooperation and/or local coordination
- August 2001 Assisted University of Hawaii's Pacific Basin Rehabilitation Research and Training Center to prepare successful IMUA Keiki Grant proposed for the successful transition of youth with disabilities
- September 2001 Hosted National Governors' Association meeting of National Association of Workforce Board Chairs meeting on Maui
- November 2001 Staff hired to coordinate ACRN grant
- Submitted request to USDOL to waive the training providers' eligibility criteria relating to "all participants" of a training program

- Submitted WIA Annual Report for Year 1, PY 2000-2001
- December 2001 Convened chairs of local workforce investment boards with WDC's Chair to plot strategies for improving performance outcomes
- Published Marketing folder for WDC and local workforce investment boards to use for presentations
- January 2002 Collaborated with University of Hawaii's Center on Disability Studies to submit proposal for USDOL grant to improve the infrastructure of One-Stop Centers from the perspective of customers with disabilities
- February 2002 Announced that WDC's demonstration incumbent worker project will be directed to the demand side strategy by joining the SkillsNET state consortium
- March 2002 Held training workshops on WIA performance measures
- Held training conference for career development and guidance teachers, DOE personnel responsible for at-risk youth, youth councils and service providers – ***Navigating Youth Services and Careers in a Different World***



Hawai'i Workforce Development Council
830 Punchbowl Street, Room #417
Honolulu, Hawai'i 96813

