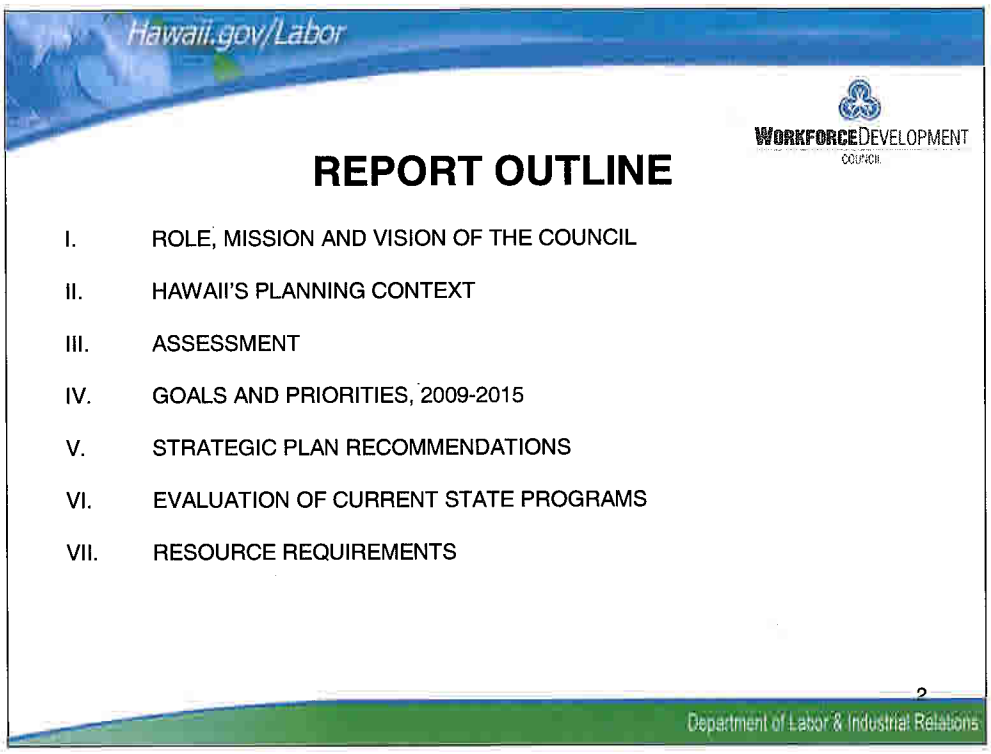
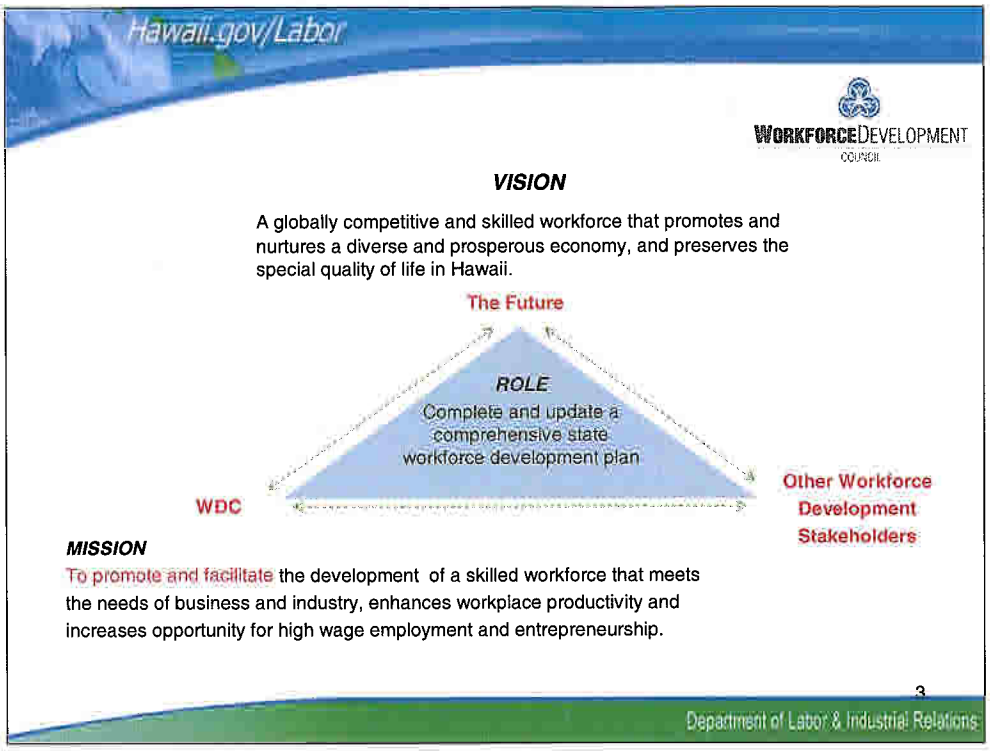
Planning is a key mandate of the WDC. With renewed expectations by current WDC members and amidst growing economic uncertainty, the WDC embarked on a strategic planning process for a 2009-2015 Comprehensive Workforce Development Plan ("Plan").



The Plan will be presented as the next Annual Report to the Governor. The approved outline for the report offers a planning framework that weaves together elements of traditional strategic planning and the WDC's statutory requirements.

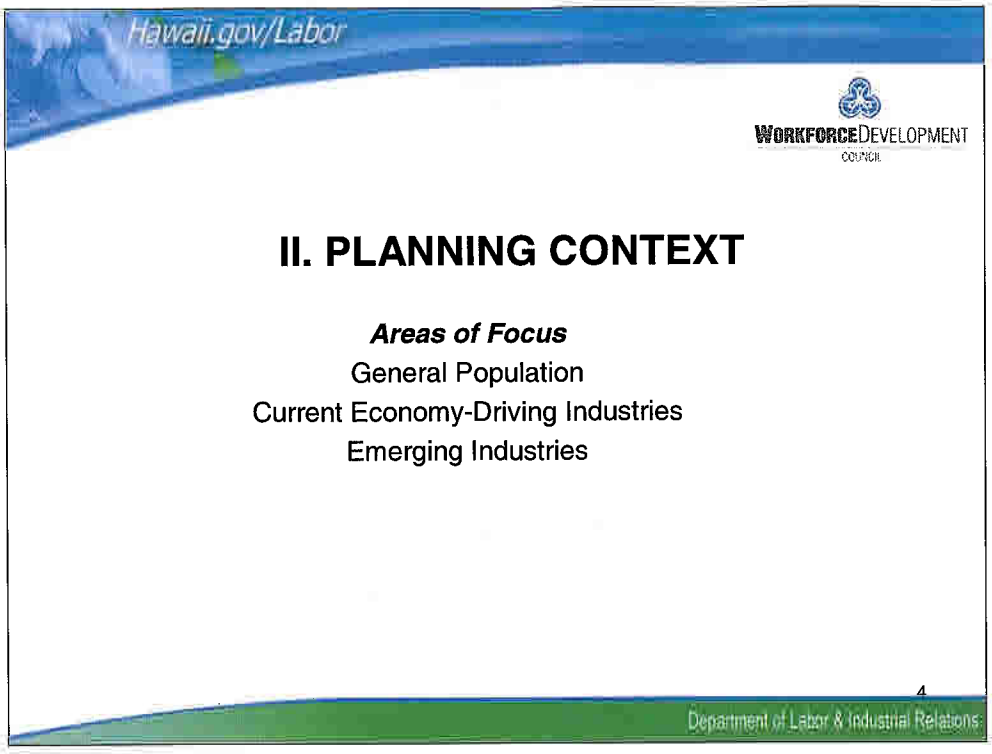
This Powerpoint presents the planning framework that has been established by recent planning activities.



The WDC's vision is one shared with entities in education, employment and economic development (With this relationship came the term, "e3" as well as the WDC logo.)

To get there, the WDC role includes the "completion and regular updating of a comprehensive state workforce development plan with strategic goals and measureable outcomes".

The WDC's mission statement will be re-stated. Instead of a statement that puts the WDC in charge of developing a skilled workforce, the new statement clarifies that the WDC will "promote and facilitate the development of a skilled workforce".



The WDC will promote and facilitate a comprehensive plan. It will cover the general population, the foreseeable skill needs of our economy-driving industries as well as the less calculable needs of emerging and desired economic drivers of the future.

The WDC realizes that all States (and countries) want to compete in the global economy and aim to develop a "21st century" workforce. States though have different planning contexts and therefore face different menus of strategic options.

This presentation sums up Hawaii's own planning context. Many forces influence strategic plan development that can either aid or hinder achieving the vision. There are factors external to the workforce development system. These are major forces such as technological, political and demographic changes that the Council and workforce have no control over. There are factors internal to the workforce development system. These are conditions that stakeholders can change or influence. The planning context will also include guesses about the future that will influence planning directions.

Past trends will show a planning context that has improved in economic competitiveness and workforce preparation, needs major improvement in terms of cost of living, and has information gaps especially about our adult population.

Many of these points will be benchmarks and measures from various authorities in education, employment, and economic development. The technical details about these data will not be discussed during the power point presentation but they will be included in the appendices of the Report.

These benchmarks and measures indicate overall state of economic competitiveness, quality of life and employment, workforce supply, workforce preparation or education, and other planning assumptions. Behind each are a broader set of explanatory indicators and measures.

Hawaii has been more competitive last year than in previous years.

After dropping from 38th in 2002 to 41st in 2007, Hawaii climbed back to 35th in the 2008 State New Economy Index. After a rank of 37th overall in 2006, it climbed to 27th In Forbes' Best States to Do Business.

The State New Economy Index used 29 indicators in five categories and focuses on a single question: To what degree does the structure of state economies match the ideal structure of the New Economy? New Economy is a buzzword describing the new, high growth industries that are on the cutting edge of technology and are the driving force of economic growth. Five states—Massachusetts, Washington, Maryland, Delaware and New Jersey are leading the United States' transformation into a global, entrepreneurial and knowledge- and innovation-based New Economy.

Forbes rankings measure states on six main areas of importance: business costs, labor supply, regulatory environment, current economic climate, growth prospects and quality of life. Virginia has consistently ranked high over the years. The most dramatic jump to top 5 is Georgia which was 15th the year before that. The other top 5 states are Utah, Washington, and North Carolina.

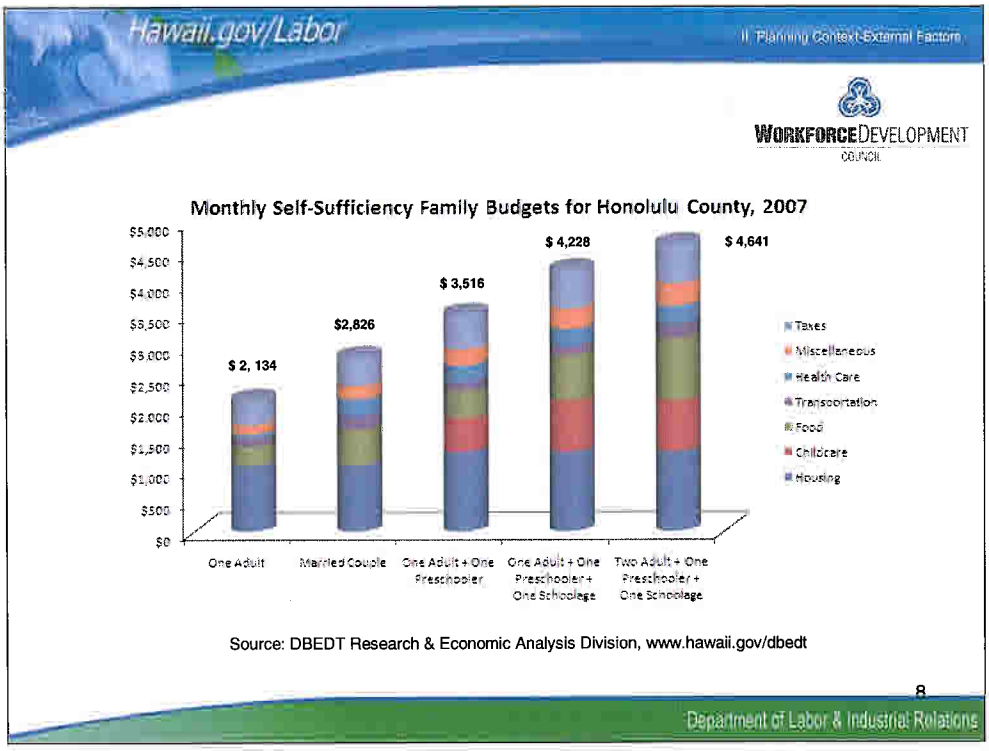
WORKFORCEDEVELOPMENT COUNCIL

2007 Self-Sufficiency Wage Requirements

County	One Adult	Married Couple	One Adult + One Preschooler	One Adult+ One Preschooler+ One School Age	Two Adults + One Preschooler+ One School Age
Honolulu	$25,605	$33,906	$42,189	$50,731	$55,688
Hawaii	$23,914	$33,549	$36,399	$43,379	$49,752
Maui	$31,494	$42,683	$45,249	$51,483	$60,634
Kauai	$28,315	$39,649	$42,803	$51,715	$59,265
STATE	$26,161	$35,110	$41,776	$49,871	$55,610
Major Benchmarks					
Poverty Threshhold	$11,750	$15,750	$15,750	$19,750	$23,750
Minimum Wage	$15,312	$30,624	$15,312	$15,312	$30,624
Median Family Income	$31,369	$80,143	$35,417	$31,369	$83,786
Self-Sufficiency Wage as of % of					
Poverty Threshhold	222.65%	222.92%	265.25%	252.51%	234.15%
Minimum Wage	170.85%	114.65%	272.83%	325.70%	181.59%
Median Family Income	81.97%	55.06%	65.50%	70.76%	64.98%
% of Families with Income Below Self-Sufficiency Level (Based on ACS-PUMS data)					
State Total	43.40%	12.40%	66.60%	81.00%	24.80%

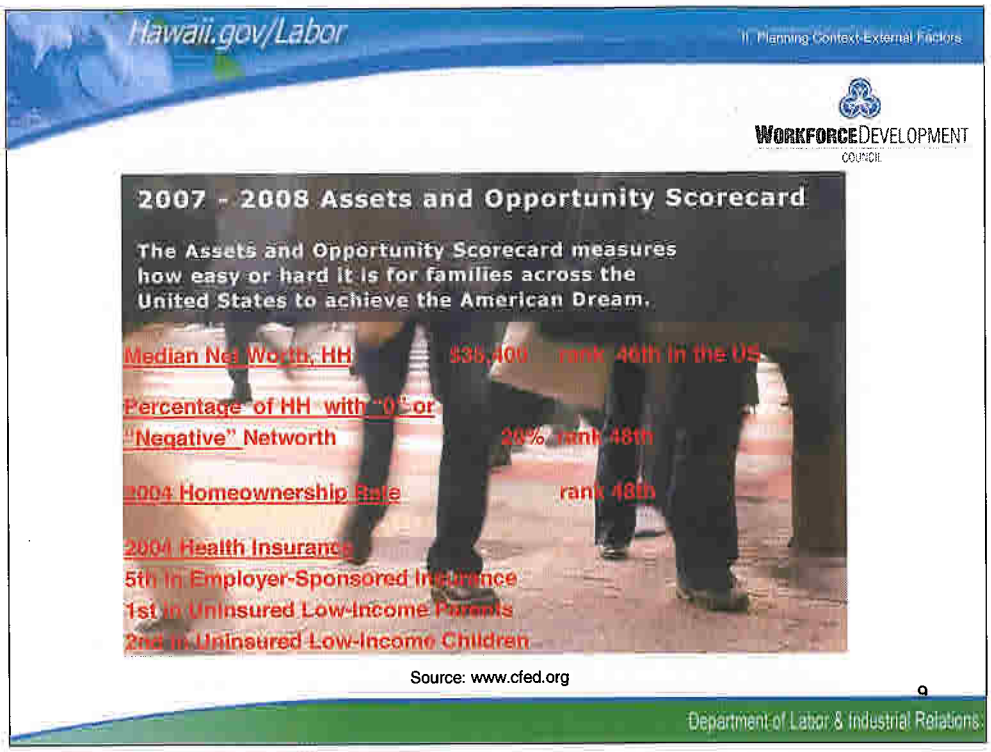
Source: DBEDT Research & Economic Analysis Division

Hawaii's high cost of living threatens Hawaii's special way of life and its economic competitiveness. To be financially self-sufficient requires more than the current minimum wage and current median wage.



Most families or households need at least two wage earners to pay for basic expenses.

The largest household expense is housing. Statewide data has not been estimated to illustrate cost so Honolulu data is provided for more insight.



The prospect for achieving economic advancement like business ownership, college education, or homeownership is not positive. Using 2004 data, the 2007-2008 Asset and Opportunity Scorecard determined that Hawaii is 45th in median household net worth, 48th in savings with 29% having zero or negative savings, and 48th in homeownership. Hawaii's bright spot is in health where it is 5th in employer-supported health insurance. To many households, health insurance is their major protection against bankruptcy.

WORKFORCEDEVELOPMENT COUNCIL

Housing: Hawaii and Honolulu Samples

2006 Median Home Price: $640,000

Home Price that Hawaii HH Median Income Can Afford: $ 151,175*

*Based on 2006 HH median income of $60,750 and General Mortgage Criteria of Income x 2.5

Number of jobholders it takes to purchase median home

2006 Sample: Elem. School Teacher

Annual Median Wage: $37,710

No. of jobholders it takes to purchase median home: 4.63

2006 Sample: Firefighter

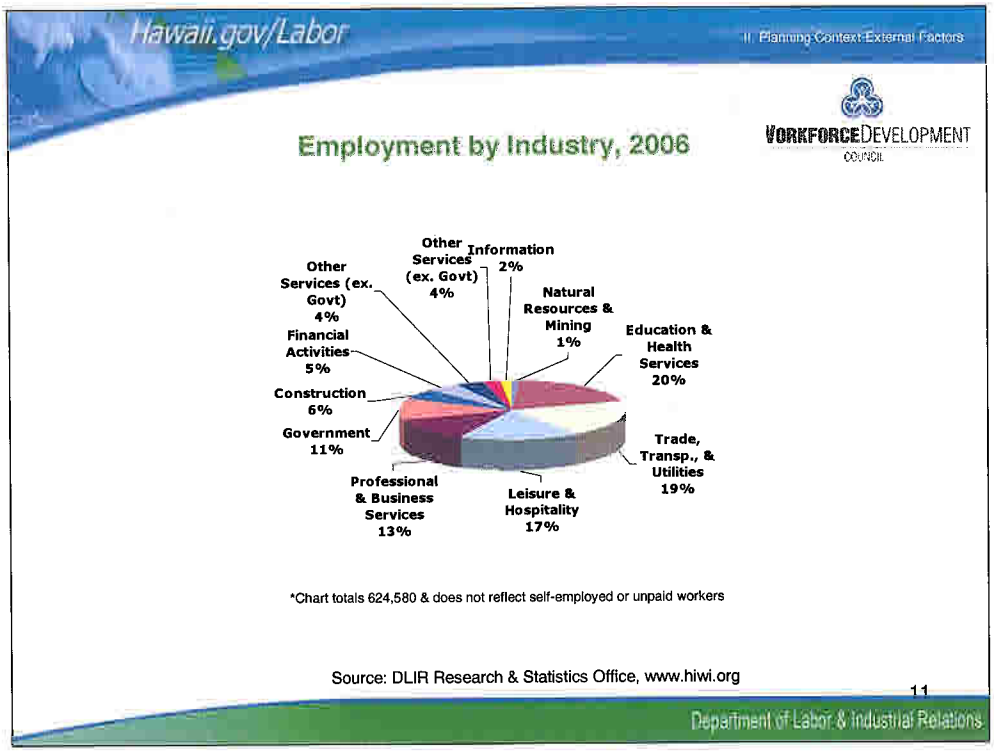
Annual Median Wage: $42,870

No. of jobholders it takes to purchase median home: 4.08

Source: www.hawaijuli.org, honoluluadvertiser August 2007

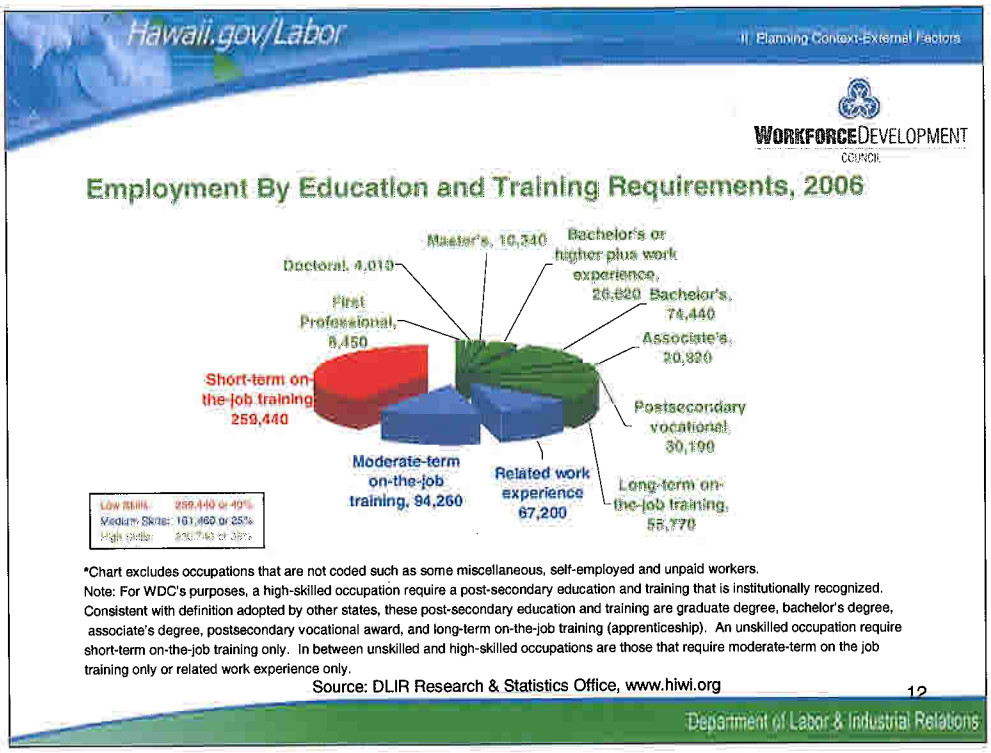
In 2006, a household earning Hawaii's median income can only afford $157,910 while the median home price in Honolulu was about 4x that value.

Housing is not affordable even among the highly-skilled. For example, the Urban Land Institute estimated that it will take 5 individuals earning a teacher's annual median wage to purchase a home that is being sold at the Honolulu median price. It would take about 4 individuals earning a firefighter's annual median wage to purchase the same home.

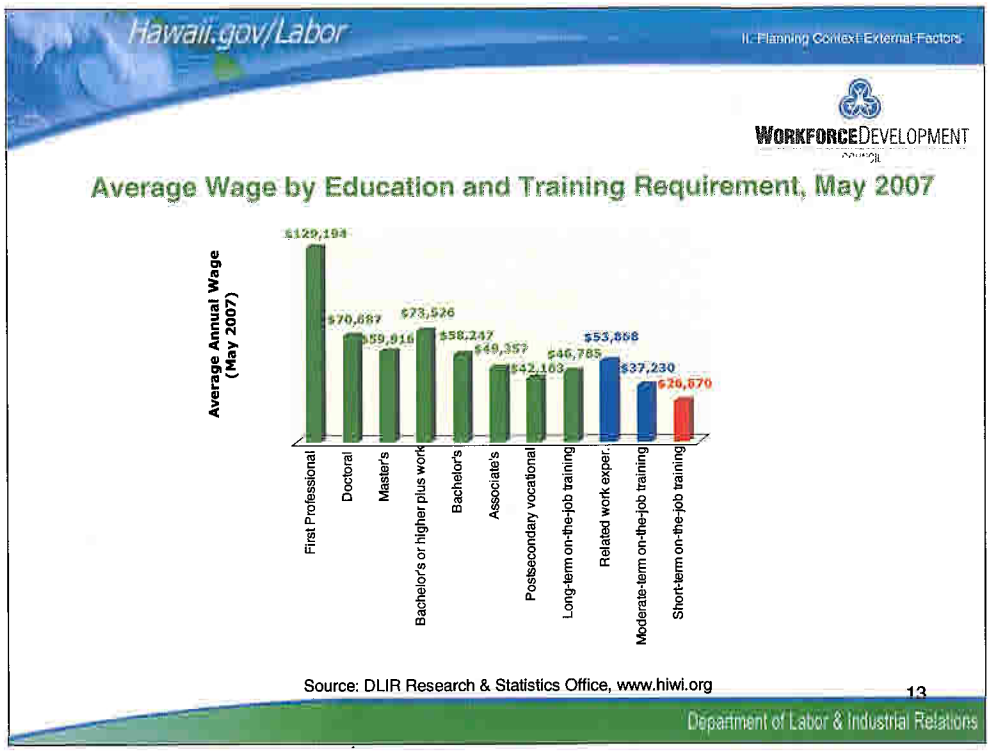


The largest employers and source of wages are:

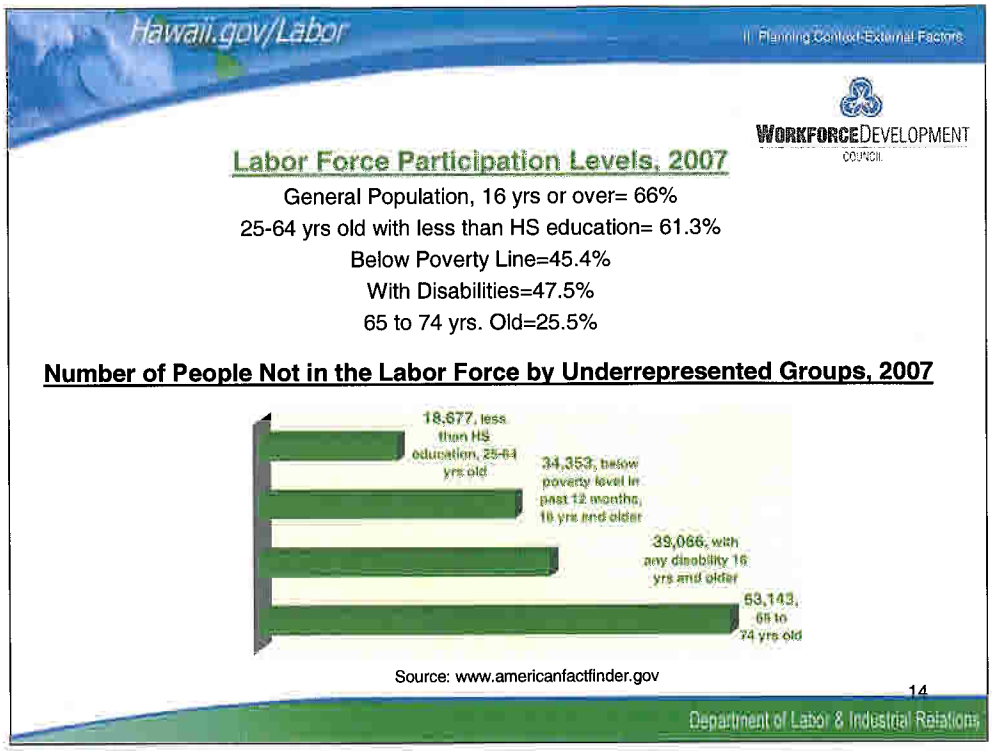
1. Education and health service industries,
2. Industries that have strong ties to tourism. These include trade transportation and utilities, leisure and hospitality, and professional and business services,
3. Government, and
4. The construction industry.



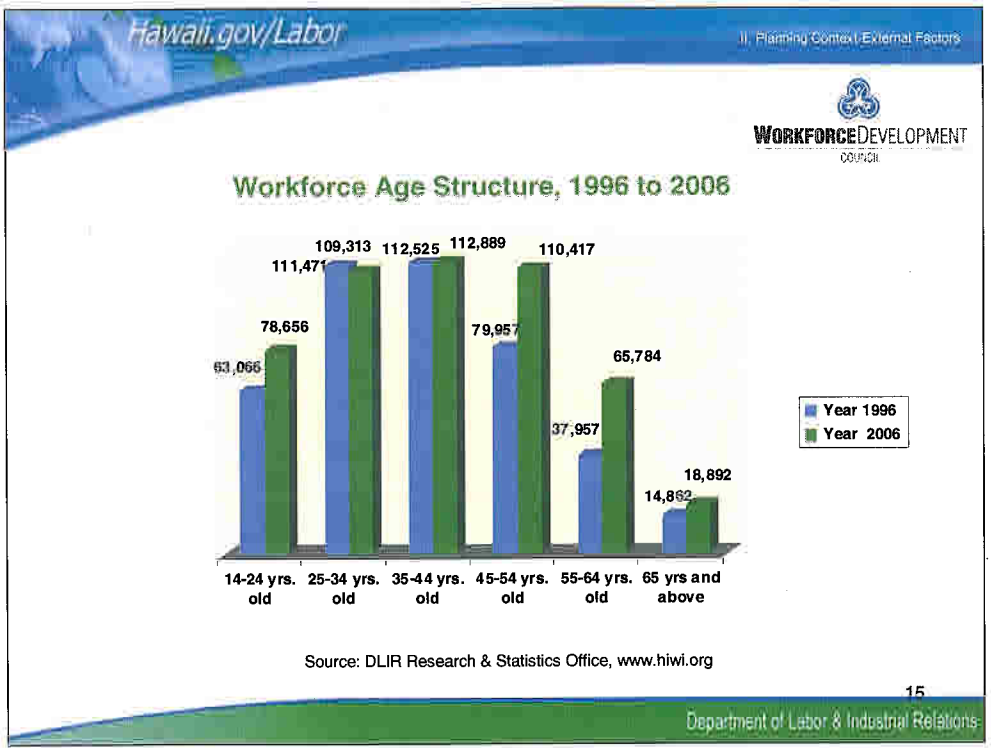
The minimum education and training requirements for jobs range from short-term on-the-job training to some type of post-baccalaureate degree.



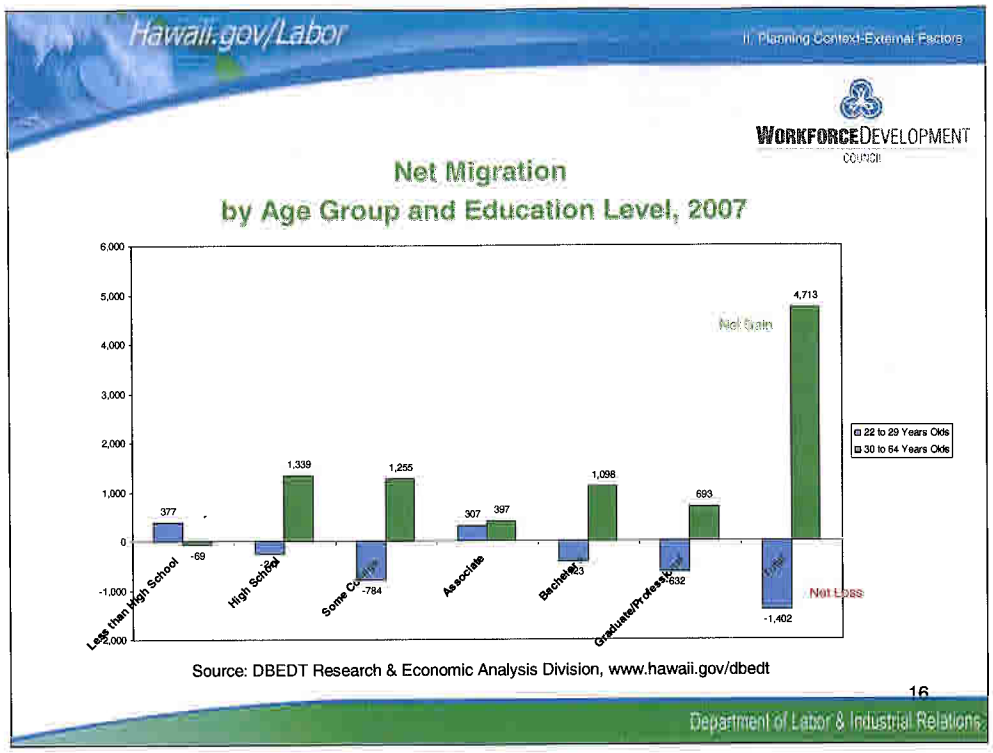
Hawaii's wage pattern is consistent with the mantra, "Education pays". Jobs that required short-term on-the-job training paid much less than jobs that required some kind of post-secondary education. The average wages in May 2007 show that "experience also pays" in jobs that required related-experience only and bachelor's degree with some experience. First professionals refer to university graduates with at least 3 years of full-time academic study beyond a bachelor's degree.



Sixty-six percent of Hawaii's labor age population make up Hawaii's current workforce supply. These are population ages 16 years and over who are employed or actively seeking for work. Participation is lower among those with less than high school education, on welfare, with disabilities, or those 65 years and older.

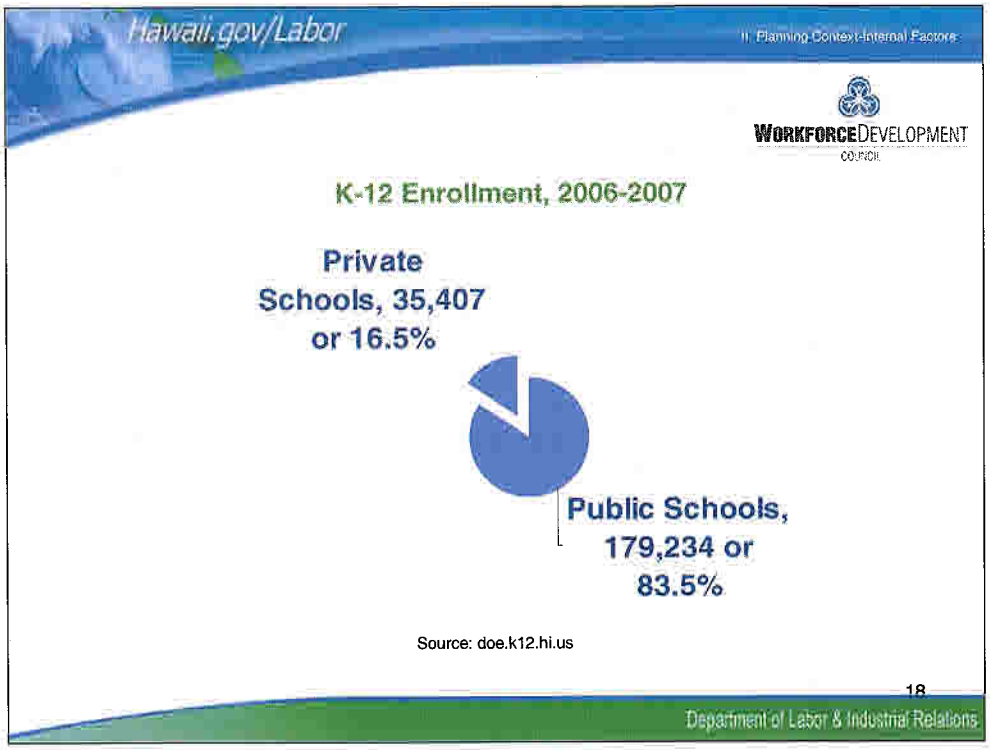


There are more workers who are between 45 yrs old above in 2006 than in 1996. In 2007, the incoming supply of younger 14-24 years old new entrants was also less than the outgoing supply of 55 years and older workers.



More young workers, ages 22-29 and with high school or some college education emigrated. More older workers, ages 30-64 and with high school or some college education immigrated to Hawaii. More workers, ages 22-64, and with associate degree immigrated to Hawaii.

Hawaii is not a state that taps many temporary workers from abroad (H1B visa for skilled, H1A for unskilled). It is worth noting though that Hawaii prepared thousands of foreign students for the rest of the world (F1 and J1 visa holders).



Hawaii educates 84% of its K-12 population in public schools and the other 16% in private schools.

Among those who graduate, it is estimated that 1/3 attend local schools, 1/3 go to the US mainland for further education, and 1/3 are unaccounted for. They may be staying home, starting a business or going to work right way, joining the military, or other circumstances.

Available workforce preparation data indicate that Hawaii is doing better in preparing a 21st century workforce, but has catching up to do with the top states in the country.

WORKFORCEDEVELOPMENT

Readiness for School, 2004-2007

Public School Kindergarteners who attended Pre-school*

2004-2005 58% 2006-2007 61%

*no national benchmark

Educational Output, K-12

NATIONAL ASSESSMENT of EDUCATIONAL PROGRESS (NAEP) 2003 2007

(Percent Proficient and Advanced)

	Hawaii	Nation	Hawaii	Nation
Reading				
Grade 4	21%	30%	31%	39%
Grade 8	22%	30%	21%	31%
Mathematics				
Grade 4	23%	31%	37%	45%
Grade 8	17%	27%	24%	38%

Source: doe.k12.hi.us

In terms of effective education, 61% of public school kindergarteners attended preschool. This indicates that at least 61% were ready for kindergarten.

Indicating that they are on the path to acquiring skills for lifelong learning, 31% of public school fourth graders had “proficient to advanced” ratings in national reading assessment test and 37% in mathematics. At the middle school level, 21% of eighth graders had “proficient to advanced” ratings in national reading assessment test and 24% in mathematics.

WORKFORCEDEVELOPMENT

Educational Output, K-12

GRADUATION & DROPOUT RATES

	2004-05	2006-07
Graduation (On Time)	79.5%	78.9%
Dropouts	14.9%	16.5%

HIGH SCHOOL DIPLOMA

	2004-05	2006-07
BOE Diploma	31.3%	31.5%
Regular Diploma	62.1%	62.7%
Non-Diploma Certificate	6.6%	5.8%

Note: Measures Are Not Comparable Nationwide

Source: doe.k12.hi.us

The latest public high school graduation rate (2007) is estimated at 78.9%. Comparable statistics is not available for private schools. Neither are there comparable national benchmarks.

Of the 2006-2007 batch of public high school graduates, 31.8% earned their BOE diploma, 62.7% their regular diploma and 6.8% received non-diploma certificates. Of those who entered UH in June 2007, 24% needed English remediation and 29% needed math remediation.

The more rigorous BOE diploma is an indicator of a graduate's preparedness to pursue STEM degrees. Remediation is an indicator of a graduate's unpreparedness for lifelong learning.

WORKFORCEDEVELOPMENT

AP AND REMEDIATION COURSES

Advanced Placement Courses	2005	2007
No. of Students enrolled in AP Courses	-	2,725
Percent of Exams Passed	49%	47%

Remedial Courses Enrollment*	2005	2007
English	-	24%
Math	-	29%

*Public School June Graduates Entering UH in Fall semester

SENIOR EXIT PLANS SURVEY

	2005	2007
School Only	5%	16%
Work Only	8%	9%
School and Work	77%	66%
School, Work, & Military	7%	4%

Source: doe.k12.hi.us

The 2007 class of graduating public high school seniors said that immediately after high school, they will go to some postsecondary school (86%), work (79%), and/or join the military (4%).

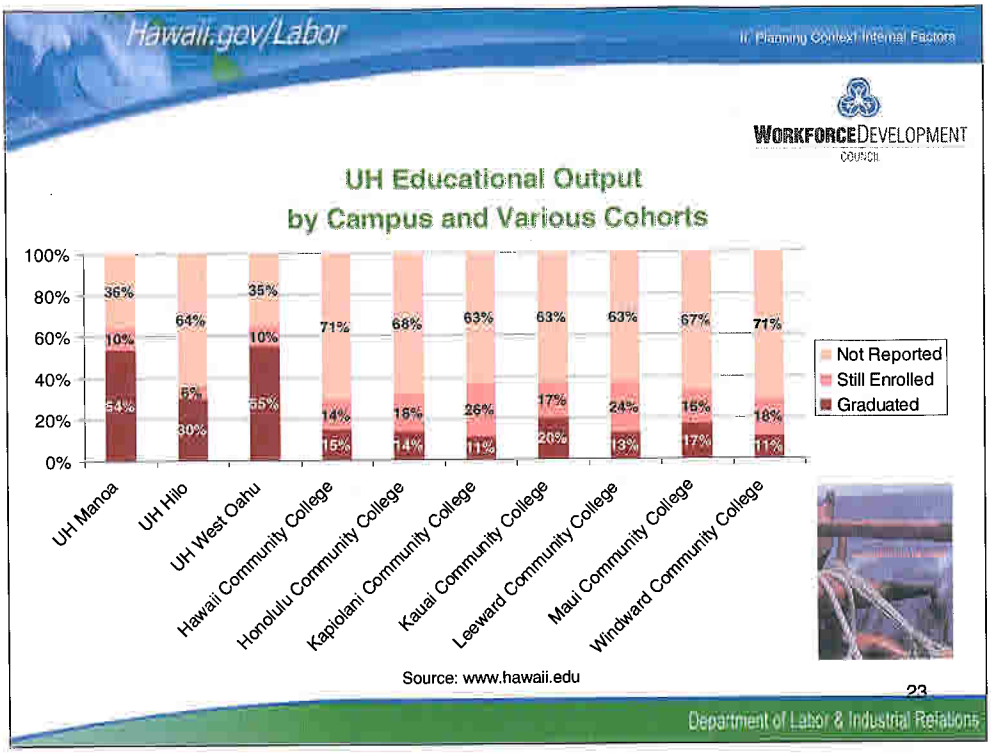
WORKFORCEDEVELOPMENT COUNCIL

Post-Secondary Education Output, 1990s and 2008

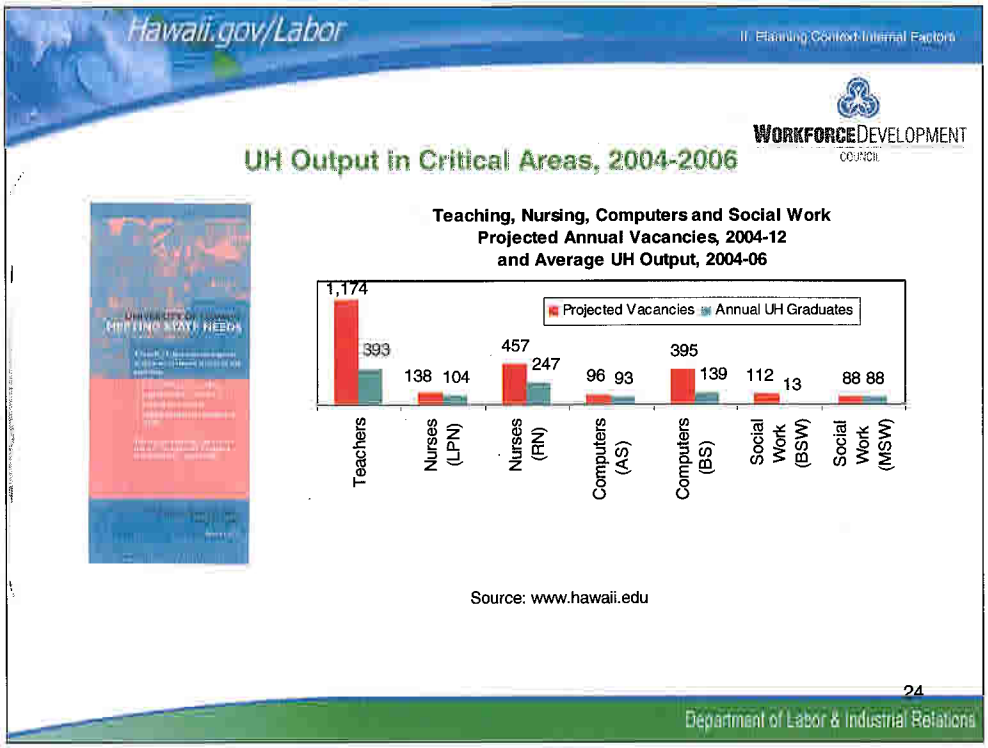
	HAWAII		Top States 2008
	Early 1990s	2008	
PERSISTENCE (20%)			
1st year community college students returning their 2nd year	n/a	51%	66%
Freshmen at 4-year colleges/universities returning their sophomore year	n/a	68%	82%
COMPLETION (80%)			
First-time, full-time students completing a bachelor's degree within 6 years of college entrance	48%	46%	65%
Certificates, degrees and diplomas awarded at all colleges and universities per 100 undergraduate students	18	26	44

Source: measuringup2008.highereducation.org

Indicating their acquisition of the necessary skills that are required for high-skilled jobs, 17 out of every 100 graduates of local colleges and universities earned a certificate or degree. These students may be local high school graduates or enrollees from the U.S. mainland or foreign countries.



Graduation rates at UH campuses ranged from 11% to 55%. The graduate rates for community colleges are generally lower because many students transfer to the UH Manoa, West Oahu or Hilo.



UH, as Hawaii's major post-secondary institution, produced far less certificates and degrees than what the State needed in critical occupation areas like education, nursing, and computer science.

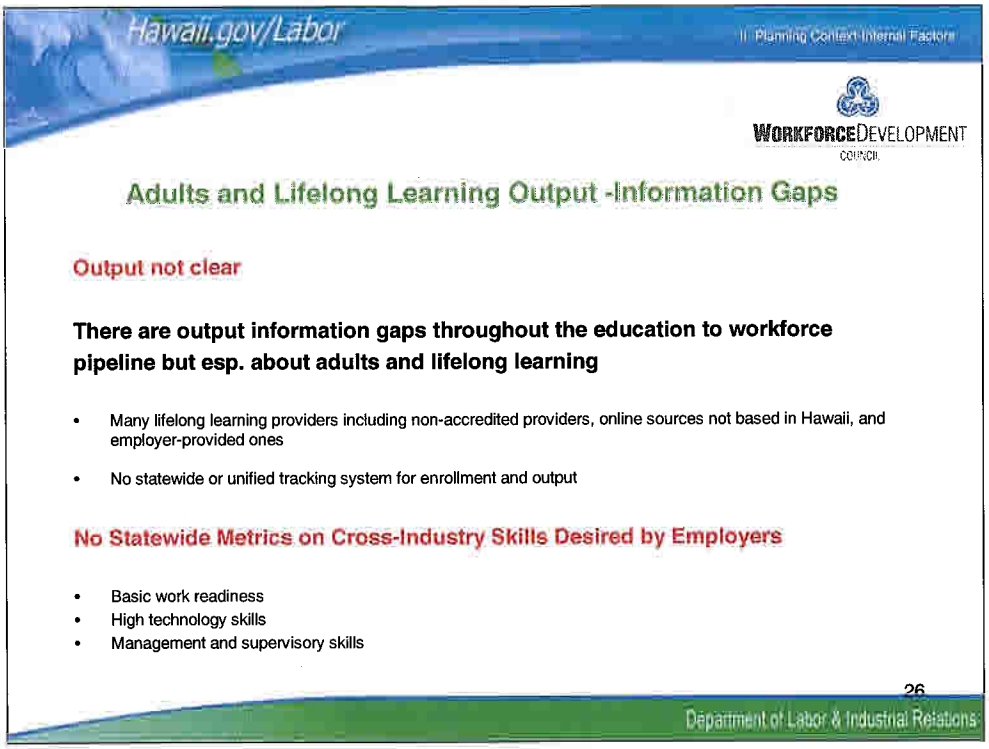
WORKFORCE DEVELOPMENT COUNCIL

Talent Development Among Working Age Population, 1990s and 2008

PARTICIPATION	HAWAII		Top States 2008
	Early 1990s	2008	
YOUNG ADULTS (67%)			
18- to 24-year-olds enrolled in college	26%	30%	44%
WORKING-AGE ADULTS (40%)			
25- to 49-year-olds enrolled part-time in some type of postsecondary education	6.2%	5.2%	8.9%

Source: measuringup2008.highereducation.org

Statistics indicate that younger workers (19-24 years old) are far more engaged in continuing education than older workers.



Hawaii does not have a unified tracking system for adults but many attend smaller education and training providers including online universities like the University of Phoenix, WIA-eligible providers, as well as unaccredited schools or programs.

Among the gaps in data are the supply and demand for skills that are identified by employer surveys and anecdotes.

WORKFORCEDEVELOPMENT COUNCIL

Employment or Work Transition Services

DLIR Wagner-Peyser Program Data, 2007-2008

EMPLOYER SIDE

Total Job Openings Received 15,642

JOBSEEKER SIDE

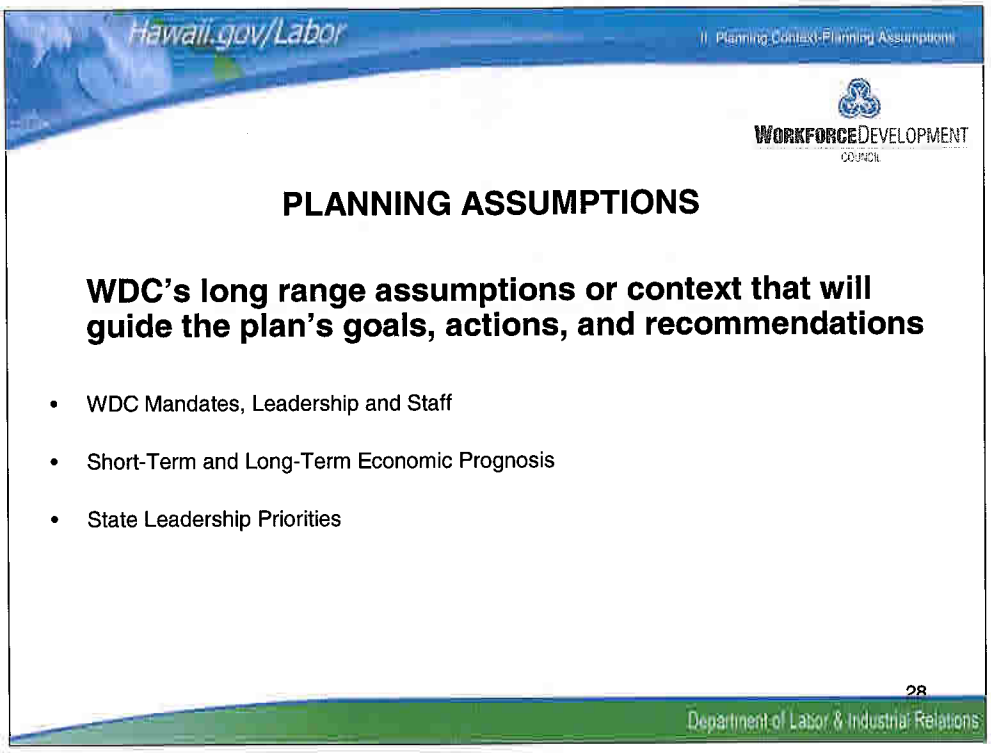
Total Program Participants Referred to Employment.....22,547 out of 50,059
Total Program Participants Referred to WIA Services.....485 or 3.45%

Number of Participants Still in School.....5,272
Number of Participants Who Did Not Graduate From High School.....5,016
Participants Who Are High School Graduates or Have GED.....25,853
Participants with Post-Secondary Degree or Certificates.....13,195

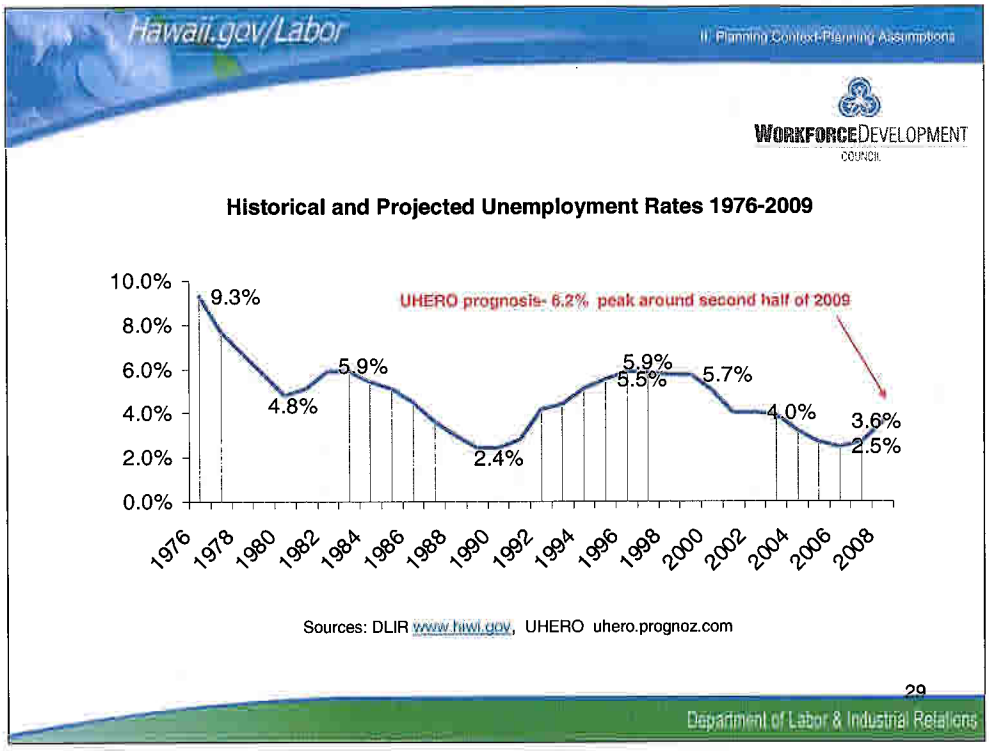
Source: US DOLETA 9002 E Report 09/01/07 to 10/30/07

Among the working-age population needing employment or re-employment assistance, 50,059 were recorded in 2007-2008 for tapping the "Wagner-Peyser or Labor Exchange" program. Twenty-three percent of these were dislocated workers. Out of the total number, 51% were high school graduates or had GEDs, 26% had post-secondary degrees or certificates,10% did not graduate from high school, and 11% were still in school.

Only 3.45% among the reported participants were referred to WIA services. This low percentage is a national trend.

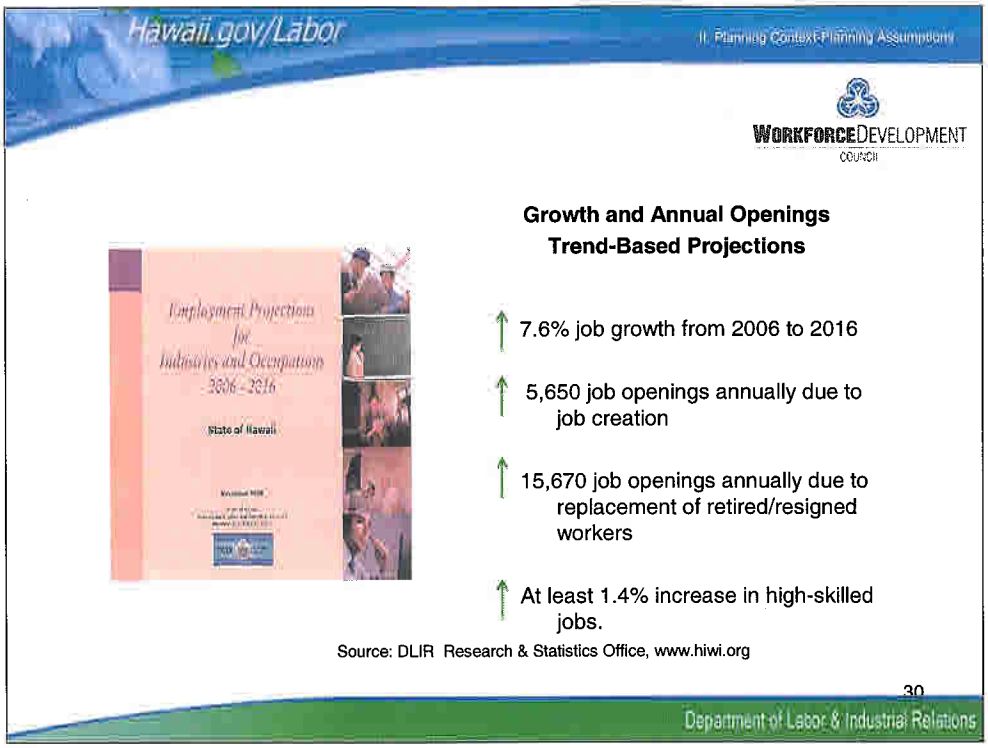


The current planning effort assumes that the WDC will be stable in terms of mandate, leadership, and staff. It also assumes that each year of stability and experience increases abilities and productivity in working with partners and collaborators.



The current planning effort assumes that Hawaii's unemployment rate has bottomed out and will be on the rise in the next few months. The US is currently in a recession and there is consensus that recovery will be much slower than post 9/11.

On January 9, the US Department of Labor reported the national employment rate jump to 7.2% and is projected to go higher in 2009 before hiring resumes in early 2010.



The planning effort assumes that the economy will rebound between 2006 to 2016. It will assume that DLIR's trend-based projections is in the right direction. The 2006 to 2016 growth in job demand will be 7.6%. The need for high-skilled workers will grow by at least 1.4% a year.

WORKFORCEDEVELOPMENT COUNCIL

State Administration's Five-Point Plan For Bolstering Hawaii's Economy

To address economic challenges in Hawai'i caused largely by national and international factors, the Administration is implementing a focused, five-point plan to stimulate the economy and encourage investment. The plan's components include:

1. Increased tourism outreach and marketing;
2. Investing in improvements to our infrastructure and state facilities;
3. Lowering business fees and providing tax relief;
4. Attracting outside investment, especially in energy; and
5. Maximizing federal dollars and partnerships.

Source: hawaii.gov/gov/economy

Based on leadership direction but without calculable projections, the planning effort will assume that the State will increasingly need skilled people who are more flexible, more able to transfer their skills from existing occupations to future ones, and have the foundational competencies for learning new skills.

WORKFORCEDEVELOPMENT COUNCIL

PART III. ASSESSMENTS

- Conclusions from Planning Context
- WDC Accomplishments –What have we been good at?
- Local Workforce Investment Boards ("LWIBs")-What have LWIBs been good at?
- Multi-Year Plans, Funding, Strengths of Partnerships, Expansion Capacity- What can and should be connected together? What can be leveraged?
- Best Practices- What guiding ideas are helpful?

Hawaii's specific menu of strategic options are determined by the specific challenges it faces and the assets, resources and best practices of WDC and other stakeholders.

WORKFORCEDEVELOPMENT COUNCIL

CONCLUSIONS ESTABLISHED THROUGH PLANNING CONTEXT

The major workforce challenges continue to be:

- Insufficient number of living wage jobs.
- Looming loss of "baby-boom generation" workers.
- Leaks in the education to workforce pipeline.
- Lifelong learning for incumbent workers.

Additional workforce challenges due to worsening or urgent situation:

- Lack of affordable/workforce housing.
- Inability to meet demand in critical occupation areas
- Inadequate workforce intelligence. Hawaii's fragmented workforce development system is confusing and not very well understood by policymakers and the general public

Globalization and Innovation also adds:

- Agility of workforce development system

Hawaii faces the same four major challenges today that it articulated in its 2004 NGA Pathway to Excellence project. These are living wage jobs, an aging workforce, inadequate workforce preparation, and unskilled or under-skilled workers.

Due to conditions that have become bleaker or more urgent since the NGA project, three issues need to be elevated and recognized as major challenges. These are workforce housing, inability to meet skill needs in critical occupation areas, and fragmented workforce development system that is not well understood.

Globalization and innovation also require a workforce development system that is more agile in its response to market trends and shifts.

WORKFORCE DEVELOPMENT COUNCIL

WDC ACCOMPLISHMENTS OF GOALS FROM PREVIOUS PLAN

Since 2001, more than 90 leaders from *business*, *non-profit*, and *government* sectors served as WDC members or designees.

- Led awareness about major workforce challenges and opportunities.
  - Advanced workforce initiatives involving voluntary schemes, regulations, pilots, and funding.
  - Held five policy forums for leaders and multi- stakeholders.
  - Participated in meetings of goal-forwarding partnerships and networks.
  - Supported "National Governors' Association ("NGA") A Pathway to Excellence" project identified needs and strategic actions.
  - Set NGA-identified direction in WIA 2007-2009 State and Local Area Plans.
- Facilitated assessments/evaluation studies.
- Sought /supported funding for strategic transformation or specific projects.
- Completed initial mapping of workforce development programs.

The WDC's core asset lies in covering the widest breadth of issues and recommendations. The WDC brought together leaders representing statewide education, employment, human services, economic development, business and labor, native Hawaiian organization for employment and training, elected officials, and local area investments/counties.

WORKFORCEDEVELOPMENT COUNCIL

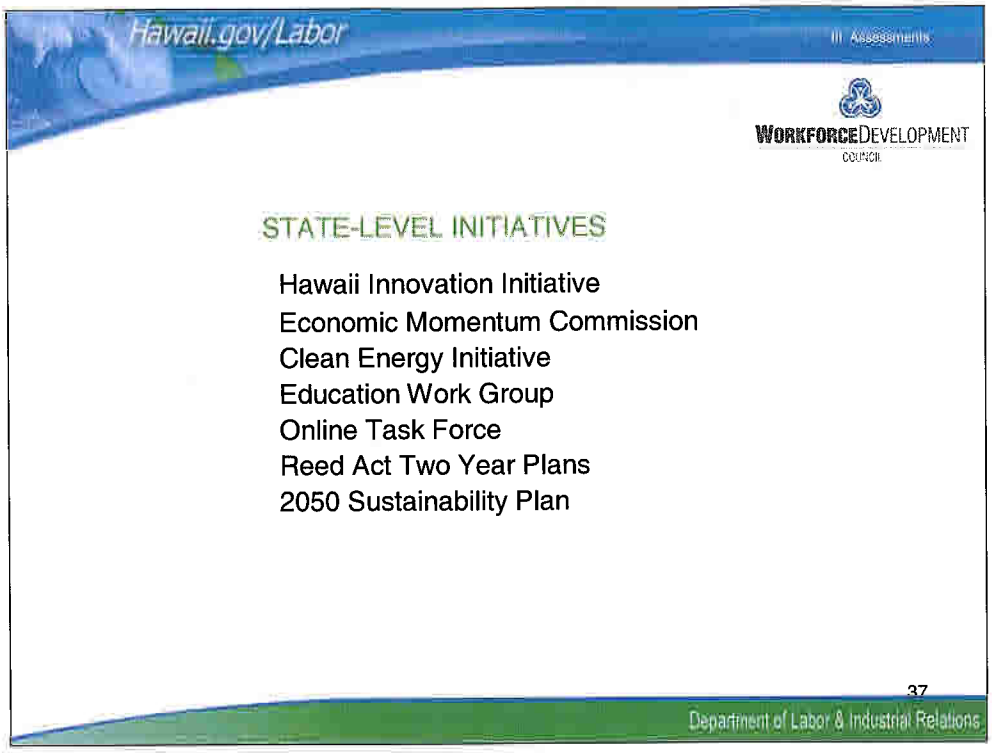
LWIBS ACCOMPLISHMENTS

- Proactively connected local businesses, workforce development services, and schools.
- Led multi-agency consortia for operating and growing one-stop delivery systems namely Oahu WorkLinks, WorkWise Kauai, Big Island Workplace Connection, WorkSource Maui.
- Conducted several evaluative studies on needs of employers, one stop centers, and others.
- Fostered regional cooperation among LWIBs and shared promising practices such as business and school partnership.
- Led or participated in workforce development planning and resource leveraging including identification of target industry clusters, WIA 2 or 5 year plans, and Reed Act plans.
- (More to come from LWIBs)

The LWIBs core competence lies in providing county-level dimension to issues and recommendations. Like the WDC, the LWIBs brought together stakeholders from different entities and partnerships. The LWIBs connected businesses, workforce development, and schools for purposes that ranged from project implementation to strategic planning.

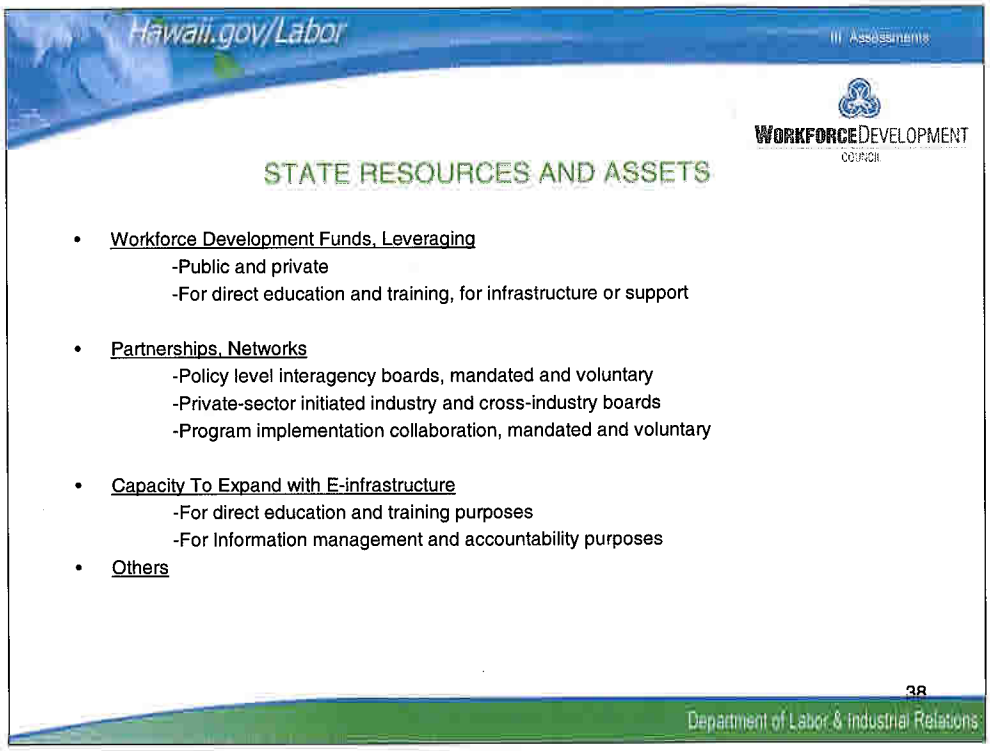
Workforce development is one of the issues identified in multi-year plans of other Councils and entities. The core asset of each entity is in providing depth and focus on more specific challenges.

For example, the P-20 Initiative Plan and Early Education Council Plan address the challenge of effective education. The Nursing Workforce Plan and Construction Workforce Action Plan address the shortage in nursing educators and practicing nurses.



Workforce development is a key element in recent initiatives that State leaders have undertaken to increase Hawaii's economic competitiveness.

Initiatives instill urgency and immediate action to issues and recommendations. For example, the Economic Momentum Commission focused on the urgency of creating living wage jobs and focused on STEM education.



The WDC, the LWIBs, and collaboratives rely on combinations of funds, networks and relationships, and infrastructure for implementation. Some of the resources and assets are relatively well-identified but most need to be mapped out and evaluated better.

WORKFORCEDEVELOPMENT COUNCIL

BEST PRACTICES

A Governor's Guide to Creating a 21st Century Workforce

- Connect workforce development to economic needs through education
- Build a stronger education pipeline to produce trainable graduates who have strong foundational skills
- Expand/create incentives for continuous learning
- Enhance workers' ability to manage their careers
- Strengthen work supports (including education and training) to promote employment retention and career advancement
- Strengthen governance and accountability in the workforce system

Solutions to Hawaii's challenges can be guided by best practices. In 2001, the National Governors Association ("NGA") published "A Governor's Guide to Creating a 21st Century Workforce". The guide offers foundational strategies that Top States have adopted.

WORKFORCEDEVELOPMENT COUNCIL

NGA Best Practices Relating to Federal Workforce Programs

- Reform all federal workforce-related programs in tandem
- New information systems are needed by policymakers, employers, and individuals
- Better strategies to engage the private sector
- Encourage greater access to training and certification
- Allow for flexible service delivery structures, not one-size fits all
- Promote cross-system measures and integrated performance information systems

The NGA also published best practices with respect to federal workforce programs. The report also offers foundational strategies that successful States have tried.

The Social, Economic and Workforce programs unit of the National Governors' Association Center for Best Practices is a source of updates based on new realities.

WORKFORCEDEVELOPMENT COUNCIL

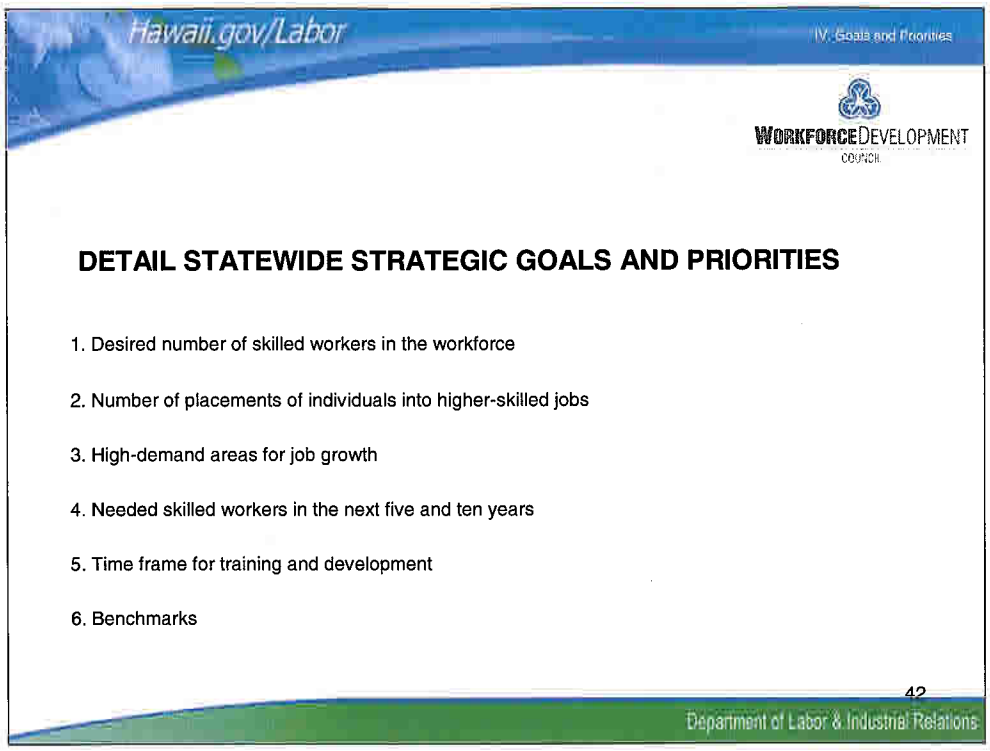
IV. GOALS AND PRIORITIES 2009-2015

WDC Priorities

- Improve the delivery of timely education and training to prepare current and future workers for required and projected demand occupations.
- Focus more attention on upgrading the skills of incumbent workers.
- Expand the labor pool in the face of anticipated long-term labor shortage.
- Address workforce housing.

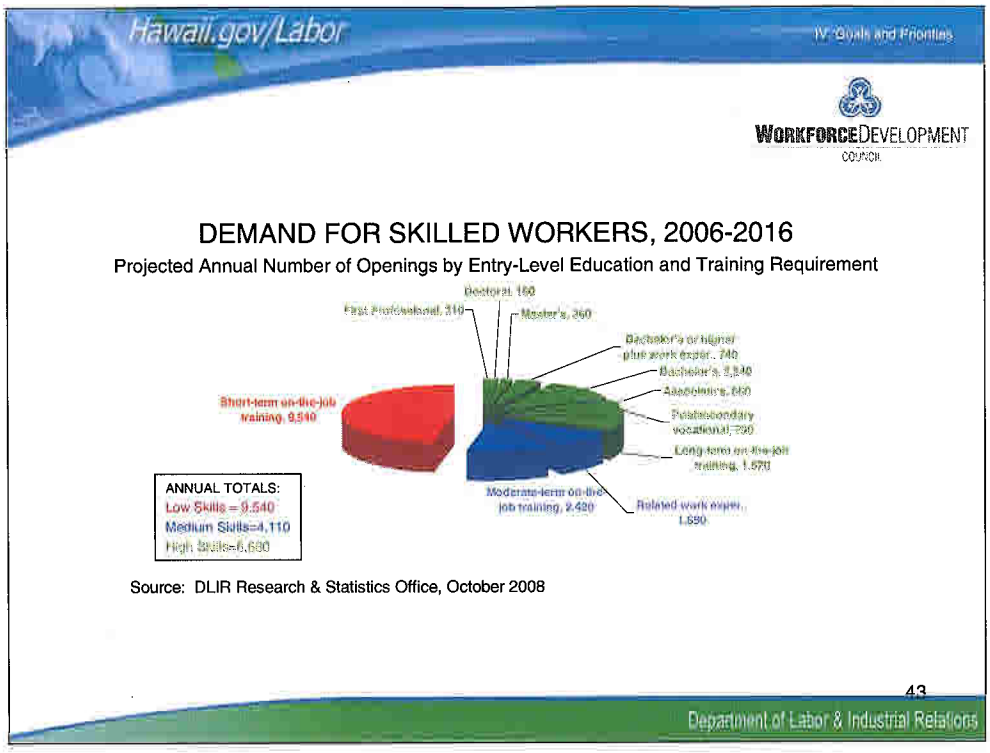
To address the workforce challenges amidst current context and assets, the WDC identified four areas as priorities for the 2009-2015 planning period.

The first three were the WDC's priorities in last year's Report to the Governor. The additional priority for the next five years is workforce housing.



The next level of planning activities will center on establishing coherent strategies and recommendations for the four priority areas. This special meeting will help examine issues, recommendations, and strategic drivers more closely.

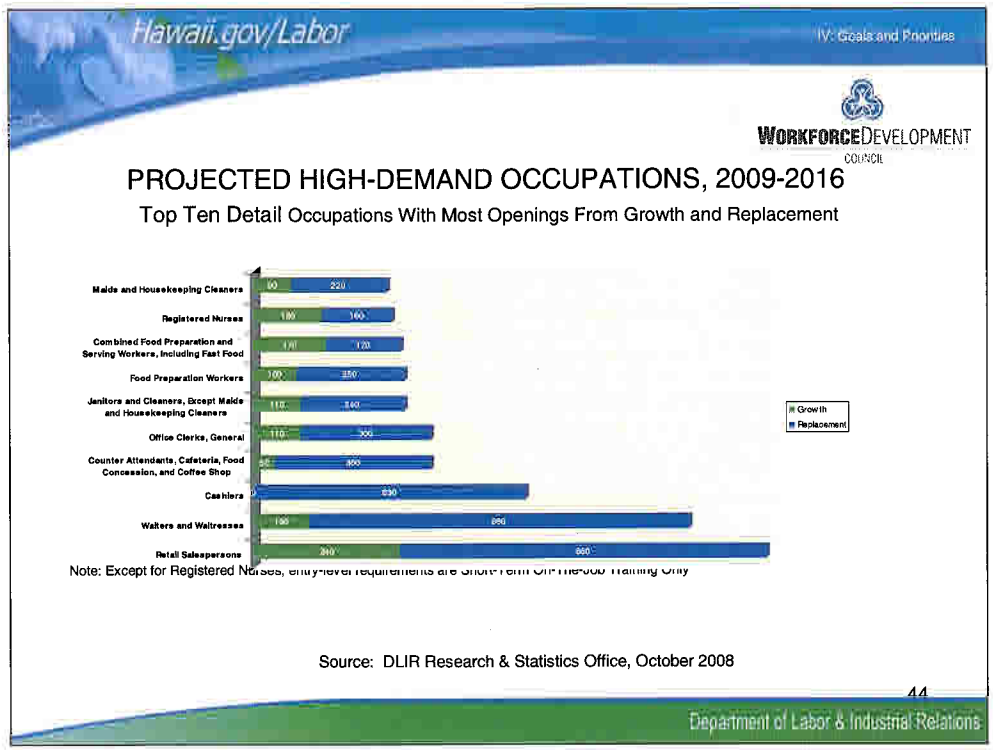
One of the focus will be following specific statutory requirements. The statutes requires that the Plan address the "desired number of highly skilled workers in the workforce, the identification of high-demand areas for job growth, and the need for skilled workers in the next five and ten years".



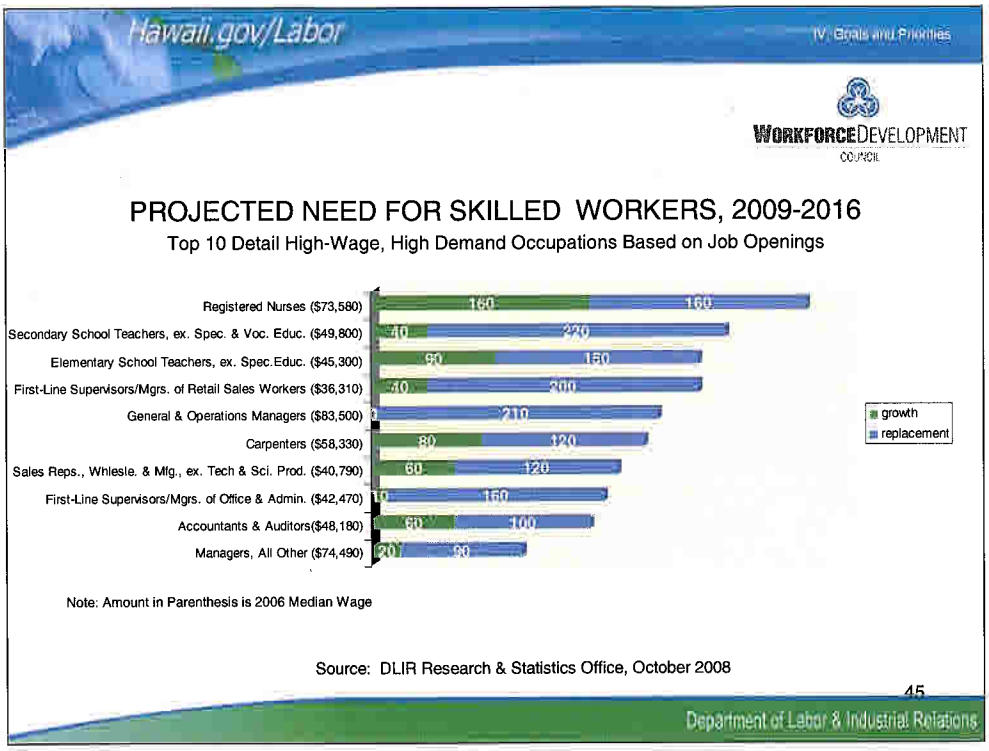
DLIR's trend-based projections serve as background information for this requirement.

According to DLIR's trend-based projections, there will be an annual demand for low-skilled workers (46.9%), medium-skilled workers (32.8%), and high-skilled workers (20.2%).

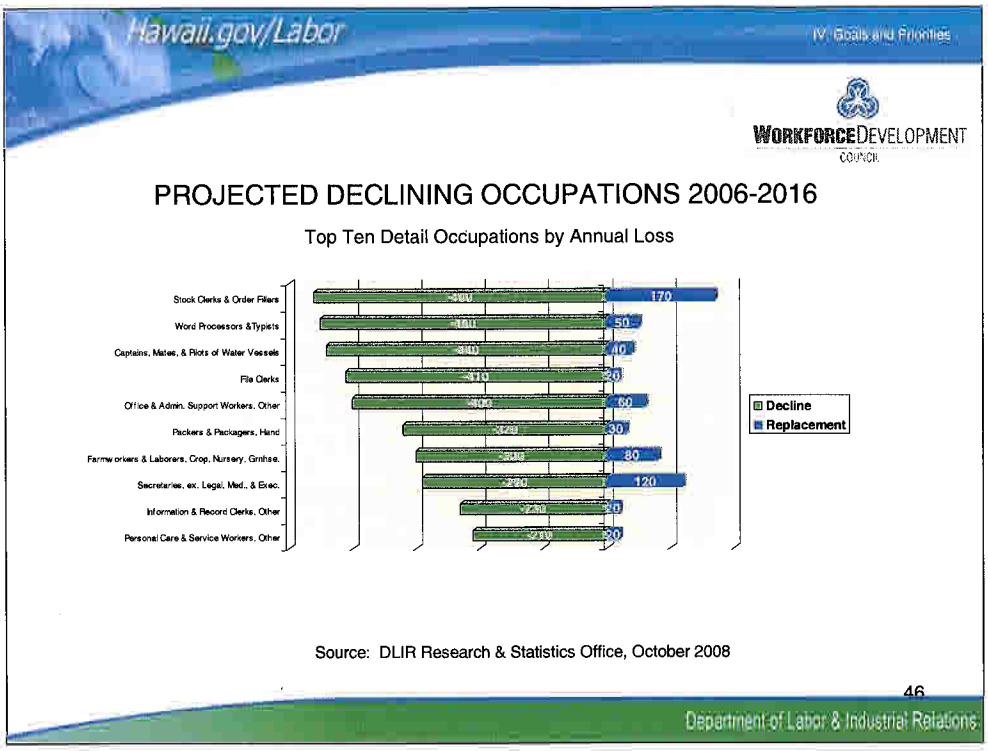
Data for strategic planning include demand level, wages, minimum education and training requirements, required time for training or education for hundreds of specific occupations. For clarity, only snippets of information are presented in this Powerpoint.



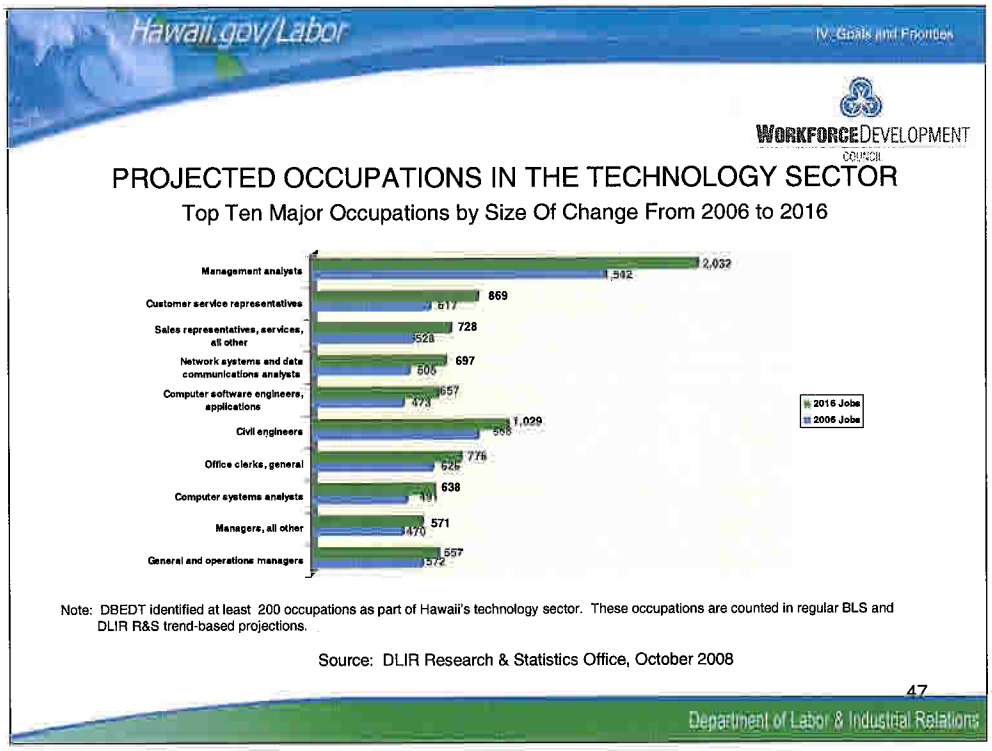
The projections for 2009-2016 provide details for high-demand occupations. It is noted that only one of the top ten occupations require a higher education. The rest require short-term, on-the-job training only.



Projections also provide details for high-skilled occupations.



Projections also provide details for declining occupations.



As an indicator for emerging occupations, the demand for technology sector occupations was estimated. The chart presents the top ten major occupations in the technology sector.

WORKFORCEDEVELOPMENT COUNCIL

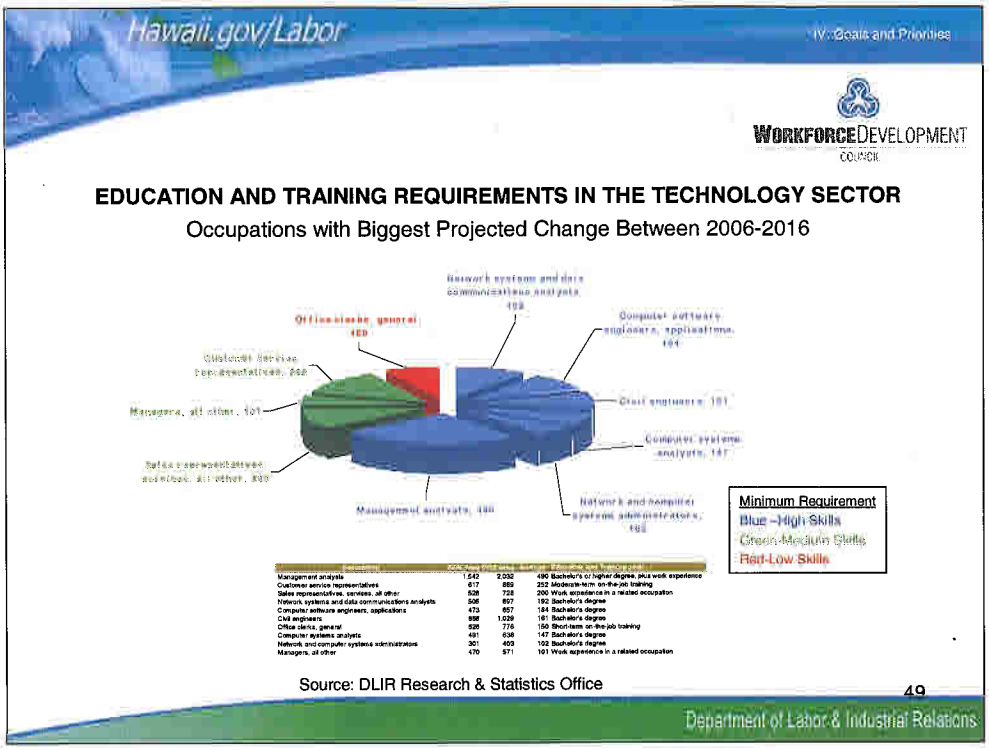
TIMEFRAME FOR TRAINING AND DEVELOPMENT

Base on UH experience, the average time frame for training and education is 150% of the following BLS established lengths.

1. First-professional and doctoral degrees	-3 yrs of full-time study plus bachelor's degree
2. Master's degree	-1 to 2 yrs of full-time study plus bachelor's degree
3. Bachelor's degree	-4 yrs of full-time study
4. Associate degree	-2 yrs of full-time study
5. Post-secondary vocational award	-Several weeks to a year or more
6. Long-term on-the-job training	-More than 1 year of on-the-job or combined work and formal classroom instructions, e.g., apprenticeship
7. Bachelor's or higher degree plus work exp.	-Mostly managerial occupations requiring experience in non-management position that require a degree
8. Work experience in a related occupation	-Skills acquired in a related occupation, degree optional
9. Moderate-term on-the-job training	-1-12 month of combined on-the-job and informal training

Source: Mike Rota, DLIR Research & Statistics Office

The preparation time for the various high-skill, high-demand occupations varies. It is Hawaii's experience that students do not complete their degrees or certification within the BLS estimated time frames. Many UH students are not full-time students. Some take less than the required full load while others take time off from schooling.



In contrast to the needs of the projected economy as a whole, the greater proportion of projected openings in the technology sector require a college education. Only a small proportion will require basic skills or on-the-job training only.

WORKFORCEDEVELOPMENT COUNCIL

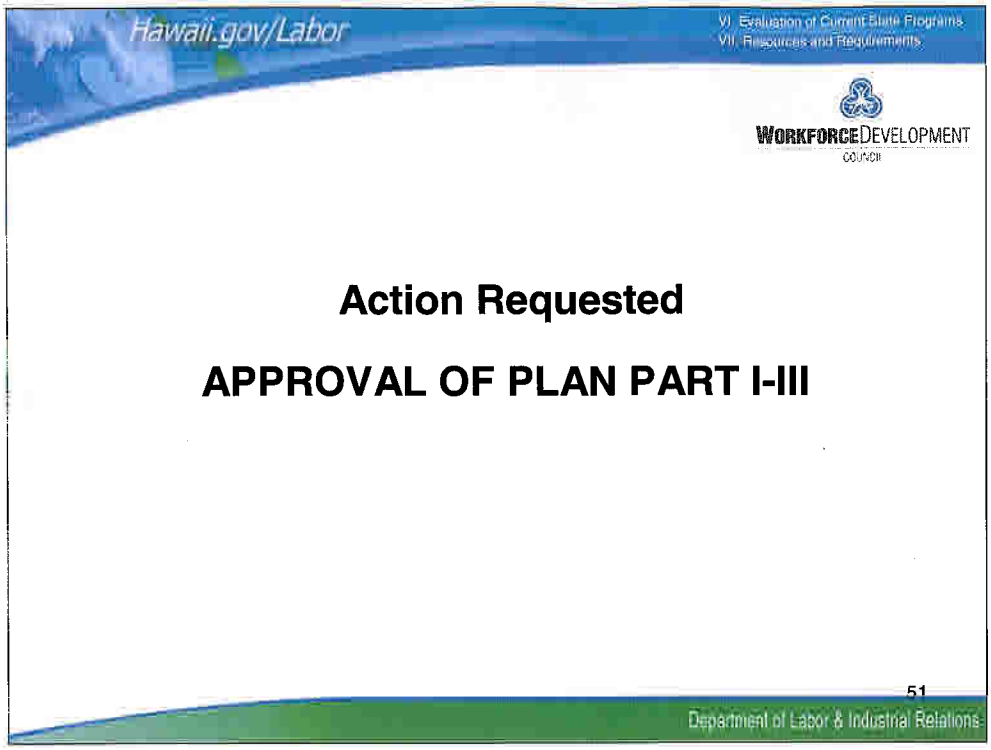
VI. EVALUATION OF CURRENT STATE PROGRAMS

Planning Committee recommends the formalization of metrics for statewide evaluation of programs

VII. RESOURCES AND REQUIREMENTS

Financial plan necessary to accomplish the outcomes in the plan

The Plan is required to address accountability. These will include "evaluation of all workforce development programs and identification of resource requirements to accomplish targeted outcomes."


Hawaii.gov/Labor
VI. Evaluation of Current State Programs
VII. Resources and Requirements
WORKFORCEDEVELOPMENT
COUNCIL
Action Requested
APPROVAL OF PLAN PART I-III
51
Department of Labor & Industrial Relations

Mahalo.