

# **2007 Report to the Governor on Workforce Development**

**December 2006**

**Hawaii Workforce Development Council**

THE HONORABLE LINDA LINGLE  
GOVERNOR, STATE OF HAWAII

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STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

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**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**  
830 Punchbowl Street, Room 417  
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December 2006

The Honorable Linda Lingle  
Governor, State of Hawaii  
State Capitol  
Honolulu, Hawaii 96813

Dear Governor Lingle:

I am pleased to transmit the Workforce Development Council's *2007 Report to the Governor*. The recent work of the Council culminates in a call to action for the State's policy-makers to focus their workforce efforts in three strategic areas to improve the ability of Hawaii's workers to support Hawaii's continued economic momentum:

- Prepare workers for high-skill jobs
- Upgrade the current workforce's skills
- Expand the labor pool

The Council proposes specific recommendations in these areas to advance your workforce and economic agenda.

Sincerely,

A handwritten signature in black ink that reads "Gregg Yamanaka".

Gregg Yamanaka  
Chair

## **Recent Publications of the Workforce Development Council**

*WIA Title I-B, Annual Report (2005-2006), October 2006*

*Hawaii's Workforce Development in 2005: Stepping Stones to 2006, December 2005*

*Hawaii State Plan for Title I-B for the Workforce Investment Act and the Wagner-Peyser Act, July 2005*

Workforce Development Council's web site: <http://hawaii.gov/labor/wdc>

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# 2007 Report to the Governor on Workforce Development

## Executive Summary

This Workforce Development Council (“WDC”) report is a call to action for the State’s policy-makers to focus their workforce efforts in three strategic areas. The purpose is to improve the ability of Hawaii’s workers to support the State’s continued economic momentum.

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

- a. Specifically prepare workers for STEM (Science, Technology, Engineering, Math), Information Technology, Healthcare, Teachers, Safety and Security, and Energy and Environment. Provide graduate fellowships and four-year scholarships as incentives to future teachers and practitioners in the field.
- b. Expeditiously implement the American Diploma Project Network in Hawaii to improve preparation of students for key transition points throughout the education-to-work pipeline, starting with pre-kindergarten.
- c. Provide mechanisms to facilitate experiential learning for students and youth in youth programs.

### **Strategy #2. Focus more attention on upgrading the skills of incumbent workers.**

- a. Provide incentives for incumbent worker upgrade training; specifically, initiate a state-funded pilot to introduce Lifelong Learning Accounts (“LiLAs”) and test their feasibility for Hawaii’s businesses and their employees.
- b. Support the 2005 Economic Momentum Commission’s recommended “Rapid Response” training fund within the University of Hawaii Community Colleges to design and deliver customized “just-in-time” training according to employers’ specifications.
- c. Create an interactive searchable statewide training database where training providers can respond to defined employer needs.

### **Strategy #3. Expand the labor pool in the face of a long-term labor shortage.**

- a. Support Kama`aina Come Home strategies.
- b. Hire people who are underrepresented in the workforce.
- c. Seek immigration reforms and strategies to allow more immigrant workers and talent into the country.

These and other recommendations contained in this report are based on recent investigations by the Workforce Development Council through: (a) the National Governors Association “Pathways” project to increase participation in post-secondary education in Hawaii; (b) pilot remediation classes for apprenticeship applicants; (c) Hawaii Career Resources Network grant to increase realistic career exploration; (d) September 2006 WDC forum of community leaders; (e) preparation of the State Workforce Investment Act (“WIA”) Plan; (f) ongoing analysis of workforce programs; and (g) oversight of various grants.

# Introduction

## *Call to Action*

### **3 Workforce Development Strategies for 2007:**

- 1. Improve the delivery of timely education and training to prepare current and future workers for high-skill occupations.**
- 2. Focus more attention on upgrading the skills of incumbent workers.**
- 3. Expand the labor pool in the face of a long-term labor shortage.**

The Hawaii Workforce Development Council (“WDC”), appointed by the Governor, is business-led and committed to providing direction to the State’s workforce development efforts and encouraging the best use of the resources targeted to workforce development. Each year it presents workforce issues and recommendations in its *Report to the Governor on Workforce Development*.

While the Council can lay out a conceptual plan and make recommendations, the actual design and delivery of programs and services are dependent on the work of many other groups and individuals. Beginning with an overview of the State’s current and emerging workforce situation, Chapter I is a call to action for the State to concentrate on three strategies during 2007 to improve the ability of Hawaii’s workforce to support the State in a healthy, competitive economy.

To look for common ground among the State’s workforce partners, the Council convened a forum on September 21, 2006, and Chapter II describes that effort.

We continue WDC’s series of analyses of the efficiency and effectiveness of workforce development programs. Last year’s 2006 Report featured “Workforce Expenditures for People with Disabilities” and “Workforce Expenditures for Immigrants”. This year, Chapter III surveys programs involved in Incumbent Worker Training, and Chapter IV looks at programs involved in Adult Literacy. Chapter V focuses on the Council’s oversight of workforce programs, which amounted to about \$2.6 billion in 2005- 2006. The chapter is based on the 2007 *Hawaii Directory of Workforce Development Programs*, which is under development and will provide details on the current workforce development and educational programs. The Directory will be posted on WDC’s web site at <http://hawaii.gov/labor/wdc> in early 2007.

The report concludes with Chapter VI’s overview of WDC’s accomplishments in 2006.









the technology sector. The increased use of new technologies in traditional industries and the spread of information technology throughout the economy have accelerated the demand for a broad range of workers with the technical skills needed to keep the new economy moving forward. The result is that the workforce development community must make a major effort to identify the industry needs for high-skill occupations and meet those needs.

What do we know about the size and scope of the expected need for high-skill occupations? The primary source is the DLIR's occupational projections 2004 to 2014, which are based on extrapolating the recent past into the future. However, under the assumption that future growth will tend to reflect past growth, occupations related to visitor activity, the major driver of our economy, tend to stand out. For instance, the combination of food preparation and sales occupations account for nearly 28% of projected annual openings between 2004 to 2014. Only a few of these openings (chefs for example) require post-secondary training. Most of the positions are trained on-the-job.

On the basis of the DLIR's projections, the WDC estimates that about 37% of all openings over the 2004 to 2014 period will be trained mainly on-the-job. This suggests that the balance of openings, 63% or nearly two-thirds of the openings to 2014, will likely require some post-secondary education. WDC estimates that about 24% of those openings will require completion of formal academic programs at the university or community college level.

Hawaii's economy relies on those 37% of the State's jobs that require little or no post-secondary training. However, it will be extremely detrimental to state efforts to diversify and develop high-value industries if we cannot fill the larger demand for higher skilled workers that will be needed.

In particular, the Council has identified three high-skill occupational groups that are already in short supply and that either play critical roles in the economy or our ability to develop the workforce:

- Educators
- Health care practitioners
- Information technology workers

**Strategy #1:  
Worker Preparation  
For High-Skill Jobs**

**63% of the job openings to 2014  
will require some post-  
secondary training**

**Current shortages in three  
high-skill occupational groups**



**Current Efforts to Address the Education to Work Pipeline**

The purpose of the Good Beginnings Alliance is to spearhead efforts to create a coordinated early childhood education and care system in Hawaii. As such, it advocates for universal access to early childhood education, because research shows that early childhood education significantly increases long-term, effective participation in the labor force and reduces costly social problems. Good Beginnings points out that child care is an employment benefit that can significantly improve worker attendance and productivity.

Workforce Investment Act ("WIA") youth programs, managed by the county Workforce Investment Boards ("WIBs") and their Youth Councils, seek to prevent dropouts and improve work readiness. Starting in late 2006, the local WIBs instituted the following changes in order to improve their youth programs' effectiveness:

- Extended contracts for longer periods, to minimize transition problems and to provide stable relationships between the youth and their case workers.
- Deleted the requirement for youth programs to have 30% new enrollments each year, as that requirement conflicts with the benefits for youth who stay in programs for longer periods.
- Allowed providers to enter data directly into the HireNet Hawaii management information system, and required the WIBs to monitor the data for accuracy.
- Established a new procedure that Oahu's Youth Program Operator and youth programs identify and implement strategies and methods – specifically follow-up services that keep youth engaged in services and activities – to better serve the enrollees who are homeless and those with narrowed employment choices due to their criminal backgrounds.

**Strategy #1:  
Worker Preparation  
For High-Skill Jobs**

**Early childhood**

**Changes in WIA youth programs**



The Hawaii P-20 Initiative (“P-20”) is implementing its Strategic Plan for 2006-2010. The plan calls for policies and procedures to support curriculum articulation to ensure post-secondary readiness and workforce development. The most concrete step taken to date has been Hawaii’s acceptance into the 26-state American Diploma Project Network. In each network, governors, state superintendents of education, business executives, and college and university leaders are working to restore value to the high school diploma by raising the rigor of high school standards, assessment, curriculum and alignment of these expectations with the demands of post-secondary education and work.

With an Experimental Program to Stimulate Competitive Research (“EPSCoR”) grant from the National Science Foundation, the Department of Business, Economic Development and Tourism (“DBEDT”) and the UH are involved in actual workforce development for STEM occupations in agriculture, resource management, cultural conservation, marine and environmental science, and biotechnology. Specifically, they align UH training with industry’s technological needs.

In accordance with SCR 183, S.D. 1 (2005), the University of Hawaii, Enterprise Honolulu, and the Hawaii Business Roundtable, with facilitation and research by Dennis Jones of NCHEMS, are leading a task force to develop a plan to strengthen the ability of the UH to deliver the high quality education, training and research necessary to create and sustain a more vibrant and diverse economy. The Western Interstate Commission for Higher Education (“WICHE”), with participation from the national Council for Adult and Experiential Learning, convened a December 1, 2006 forum of business, government and educational leaders to develop an action agenda. Short-term initiatives that were proposed include the following:

- Ensure students leave high school prepared for further education and for work.
- Significantly increase the number of adults acquiring workplace literacy skills.
- Provide Waianae and Ewa with greater access to higher education.
- Improve retention of students in higher education.

**Strategy #1:  
Worker Preparation  
For High-Skill Jobs**

**American Diploma Project**

**EPSCoR**

**Plan to strengthen the ability of the UH to deliver the high quality education, training and research necessary to create and sustain a more vibrant and diverse economy**

<p><b>Strategy #1: Worker Preparation For High-Skill Jobs</b></p>	<ul style="list-style-type: none"> <li>• Expand degree production in key areas; i.e., nursing/allied health, teacher education, computer science for engineering applications, science technologies.</li> <li>• Enhance education and support for entrepreneurs.</li> <li>• Promote technology transfer.</li> </ul>
<p><b>Staying current on business skill needs</b></p>	<p><u>The UH’s Office of the State Director for Career &amp; Technical Education</u> provides assistance to both employers and university faculty to ensure current and future workers possess the competencies required by the workplace. The State Director’s office provides job profiling services that help employers to better identify and conduct training in the skill areas their work requires. The office provides similar job profiling services to university faculty to develop, modify, or validate curricula that meet the needs of the workforce. Additionally, the State Director’s office coordinates and promotes the use of internet-based tools that address basic workplace skills and career readiness.</p> <p><u>The U.S. Department of Labor’s (“USDOL”) O*NET</u> identifies the skills needed for a comprehensive list of occupations. The local WIBs conducted industry forums and surveys in 2003-2005 on the skills needed for healthcare, hospitality, construction, retail, and high technology. The best Career and Technical Education (“CTE”) programs in the DOE and the Community Colleges have active business advisory councils.</p>
<p><b>Recommend math and science scholarships</b></p>	<p><b><u>Recommendations</u></b></p> <p>The National Academies Committee on Science, Engineering, and Public Policy recommends four-year scholarships to students training as science and math teachers and/or seeking bachelor’s degrees in physical science, life science, engineering, or math, and graduate fellowships in science and engineering. The WDC recommends support for these scholarships locally.</p>
<p><b>American Diploma Project</b></p>	<p>The WDC recommends the expeditious implementation of the American Diploma project.</p>
<p><b>Adult Education</b></p>	<p>The WDC recommends increased government investment in Adult Education. Further, research and development funds need to be directed to the development of effective strategies for raising literacy skills of adults at the 5<sup>th</sup> grade and below level. See Chapter IV for a discussion of Adult Education programs and literacy.</p>

<p><b><u>Problem Statement</u></b></p> <p><u>Expenditures for Incumbent Worker Training:</u> Of the job training expenditures in the United States, USDOL estimates that “over 90% is spent by private companies and employers to train their employees. ... Higher level and higher income workers are considerably more likely to receive employer-funded training than other workers.”</p> <p>“Government is the primary funder for retraining incumbent and dislocated workers and for training lower-level workers, especially new labor force entrants. ... Training itself is not the primary activity” for these programs. For example, WIA dislocated worker programs spend 22-36% of their funds on training; “the rest is for other employment-related activities including job placement, job search assistance, testing, assessment, counseling, and life skills preparation.”</p> <p>Hawaii spends an estimated \$4.2 million of state and federal government money on incumbent worker training, which is less than 1% of all the expenditures being tracked in the 2007 <i>Hawaii Directory of Workforce Development Programs</i>.</p> <p>Not surprisingly, the bulk of education and training money is directed at education and preparation. Another large chunk aims for remediation of those people who were not adequately educated the first time, have forgotten what they knew, or whose skills have become outdated. It is assumed that incumbent workers; i.e., those already holding jobs, have successfully completed school to meet the qualifications for their jobs.</p> <p>Nevertheless, Hawaii’s government – with its goal of continued economic momentum – needs to pay attention to the State’s very sizeable incumbent workforce – be it through direct purchase of training, equipping community colleges and community schools for adults to quickly meet businesses’ just-in-time training needs, facilitating innovative concepts like Lifelong Learning Accounts (“LiLAs”), or giving incentives to employers to take a more active role in upgrading their employees’ skill levels.</p>	<p style="text-align: right;"><b>Strategy #2:</b></p> <p style="text-align: center;"><b>Focus more attention on upgrading the skills of incumbent workers.</b></p> <p style="text-align: center;"><b>Expenditures for incumbent worker training</b></p> <p style="text-align: center;"><b>Hawaii’s very sizable incumbent workforce</b></p>
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<p><b>Strategy #2:</b></p> <p><b>Focus more attention on upgrading the skills of incumbent workers.</b></p> <p><b>The case for incumbent worker training</b></p> <p><b>All industries need training for first-time supervisors</b></p> <p><b>New hires need training in fundamental entry level skills</b></p>	<p><u>The Case for Incumbent Worker Training:</u> Seventy-five percent of the anticipated workforce in the Year 2016 is already working. Preparing Hawaii’s present workers for new and future job requirements is critical to economic development and a higher standard of living for Hawaii’s people. Rapid change means the need for training these workers has become more urgent. Specifically:</p> <ul style="list-style-type: none"> <li>• People need to replace 20% of their knowledge every year.</li> <li>• The shelf life of technological knowledge is about 18 months. The demand for courses to upgrade skills in information technology is constant at the community colleges.</li> <li>• When jobs are eliminated, displaced workers need to redirect their talent in another direction, preferably toward expanding and higher-value economic occupations and entrepreneurship.</li> <li>• Any labor shortage prompts job placements and promotion with little preparation. Learning a lot of information on-the-job must take place at all job levels. Hawaii employers and the University of Hawaii Community Colleges (“UHCC”) determined that the most significant need across all industries is training for first-time supervisors, including how to train and coach employees on-the-job.</li> <li>• To close the gap for the “working poor”, additional training could enable them to advance into higher-paying jobs and economic self-sufficiency.</li> <li>• When entry-level workers advance, they create vacancies for new entrants who are inexperienced or currently underrepresented in the workforce. These brand new incumbent workers may call for different training techniques, such as Vocational English as a Second Language whereby they are trained for a specific job, using and learning job-specific English at the same time. They generally require training in fundamental entry level skills; i.e., work attitude, dress and appearance, eighth grade math, communication, relationships, and team participation.</li> </ul>
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**Current Investments in Employee Training**

See Chapter III for a discussion of Hawaii’s publicly-funded programs for Incumbent Worker Training.

Employers invest in employee training.

The USDOL, in *Estimating Public and Private Expenditures on Occupational Training in the U.S. (June 2006)*, summarized privately-funded job training as follows.

- According to the published articles that summarize employer surveys, it appears that *private spending by businesses on job training has been increasing in the past decade* in terms of total expenditures, per firm expenditures, per trainee costs, and the percentage of workers per firm who are trained.
- Using both the surveys of workers and firms, *there is considerable discrepancy between workers and firms about how much training workers receive—firms report somewhat more training than workers report.* Firms report that about 70 percent of their workers receive training in a given year. This compares to about 20 to 25 percent of workers in firms with more than 100 employees who report receiving training, and 37 percent of workers in firms with more than 50 employees. Both employers and workers, though, report that the incidence of employer-provided training has increased in the past several years.
- Workers with some college are twice as likely as workers with a high school degree or less to receive employer-provided training.

Each year the American Society of Training Directors (“ASTD”) surveys organizations about their training practices and expenditures. From a sample size of 281 large organizations in 2004, the ASTD reports that:

- The *average training expenditure as a percentage of payroll* was 2.34 percent.
- The *average number of hours of formal learning per employee* increased from 26 hours per employee in 2003 to 32 hours per employee in 2004.

**Strategy #2:**

**Focus more attention on upgrading the skills of incumbent workers.**

**USDOL Study of Employer-Provided Training**

**ASTD survey**

<p><b>Strategy #2:</b></p> <p><b>Focus more attention on upgrading the skills of incumbent workers.</b></p> <p>WDC survey</p>	<ul style="list-style-type: none"> <li>• The <i>average cost per learning hour</i> was \$642.</li> <li>• Profession- or industry-specific content was <i>allocated the most learning content</i>, followed by managerial/supervisory, and then business processes.</li> <li>• <i>The most frequently purchased external training services were technology infrastructure and content design, development, and delivery.</i></li> </ul> <p>In Fall 2006, the WDC inserted a Worker Training Survey with Career Kokua’s annual survey of employers. Of 1,900 surveys sent to employers, 284, or 15%, were returned, which is too small a sample from which to draw meaningful conclusions. However, a summary of responses is as follows.</p> <ul style="list-style-type: none"> <li>• On-the-job training was used by most of the respondents (75%).</li> <li>• About half of the respondents (54%) paid for job-related courses: 69% of the large companies (100 or more employees), 56% of companies with 20-99 employees, 56% of companies with 5-19 employees, and 26% of small companies (fewer than 5 employees).</li> <li>• About half of the respondents (53%) have an in-house training program.</li> <li>• 16% of the respondents have apprenticeship programs.</li> <li>• 10% of the respondents used the State Employment Training Fund. None of the small companies did.</li> </ul>
<p><b>Make post-secondary education more accessible to incumbent workers</b></p>	<p><b><u>Recommendations</u></b></p> <p>The WDC supports the National Governors Association (“NGA”) Pathways to Advancement Project <b>recommendations to make post-secondary education more accessible to adult learners, including incumbent workers. Financial aid, child care, and distance learning increase access for adult learners.</b></p>

<p><b><u>Recommendations, continued</u></b></p> <p><b>Lifelong Learning Accounts (“LiLAs”)</b> are voluntary arrangements between employees and their employers to create individual asset accounts to finance education and training so that workers can upgrade their skills to meet the needs of business and industry while helping to advance their own careers and earnings potential. Individual employees make contributions to their LiLA accounts, with employer matches, dollar for dollar, up to a pre-established cap (e.g., \$500 per year). Third party matches are also possible. <b>The WDC recommends a state-funded pilot to introduce LiLAs and test their feasibility for Hawaii’s businesses and their employees.</b></p> <p>The strategy of encouraging employers to invest in their employees’ training is important, because employers know the company’s training needs, and they benefit most when their workforce is competitive. <b>The WDC recommends internet classes in Employer Capacity Building</b>, which is where employer investment in employee training can be promulgated.</p> <p>The WDC supports the 2005 Economic Momentum Commission’s recommendation regarding a <b>“Rapid Response” training fund within UHCC to design and deliver customized “just-in-time” training according to employer specifications.</b></p> <p>The WDC’s September 21, 2006 forum identified a need for an interactive searchable statewide training database, continually updated, that:</p> <ul style="list-style-type: none"> <li>• enables employers to record their training needs in defined competencies for specific numbers of employees at a certain time period;</li> <li>• enables providers to respond to the employers’ defined needs, including new curriculum development;</li> <li>• enables providers to list their courses, preferably in a way that is cross-referenced to the competencies defined by employers;</li> <li>• enables employers to search the course listings to identify providers for their training needs; and</li> <li>• allows users to evaluate training programs and the database itself and see others’ ratings.</li> </ul>	<p style="text-align: right;"><b>Strategy #2:</b></p> <p style="text-align: center;"><b>Focus more attention on upgrading the skills of incumbent workers.</b></p> <p style="text-align: center;"><b>Test feasibility of LiLAs</b></p> <p style="text-align: center;"><b>Employer Capacity Building classes</b></p> <p style="text-align: center;"><b>“Rapid Response” training fund at UHCC</b></p> <p style="text-align: center;"><b>Interactive searchable statewide training database</b></p>
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<p><b>Strategy #3</b></p> <p><b>Expand the labor pool in the face of a long-term labor shortage.</b></p> <p><b>HireNet Hawaii</b></p> <p><b>Kama`aina Come Home</b></p> <p><b>Employer Tool Kit</b></p>	<p><b><u>Problem Statement</u></b></p> <p>Like the rest of the country, Hawaii will be experiencing a long-term worker shortage as the baby boom generation begins to leave the labor market. This situation is more intense in Hawaii due to the significant “brain drain” of younger workers moving to the U.S. mainland and to Asia where pay, high-skill jobs, and the standard of living are better. These same factors also deter in-migration of workers.</p> <p><b><u>Current Efforts to Find Workers</u></b></p> <p>Job seekers have easier access to information about Hawaii jobs through DLIR’s website, HireNet Hawaii. HireNet Hawaii is an online system that connects employers and job seekers. It enables job hunters to post their resumes and employers to advertise job openings. A powerful search engine goes through company, government and newspaper web sites to find job listings which are then imported into the HireNet system to create a massive database. To access this free system, go to <a href="http://www.Hawaii.gov/labor">www.Hawaii.gov/labor</a> and click on the <b>HireNet Hawaii</b> icon.</p> <p>The <b>Kama`aina Come Home campaign</b> is being conducted by the State Department of Business, Economic Development and Tourism and the county Economic Development Boards. Through job fairs, college events, high school alumni databases, and families, they reach out to college students and former residents to inform them of good job opportunities and interested employers in Hawaii.</p> <p>The <u>Workforce Development Council</u>’s planned publication, <i>Solutions at Work</i>, provides information to employers on how to hire and retain people who are underrepresented in the workforce – immigrants, older workers, people with disabilities, welfare recipients, and ex-offenders.</p>
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<p><b><u>Recommendations</u></b></p> <p>The WDC continues to recommend support for Kama`aina Come Home strategies.</p> <p>The WDC continues to recommend strategies to hire people who are underrepresented in the workforce.</p> <p>The WDC supports the recommendations from the forum held September 21, 2006 to seek immigration reforms and strategies to enable more immigrant workers and talent into the country.</p> <p>A recommendation from the WDC's September 21, 2006 forum is to develop telecommuting strategies and incentives as a way to attract people with child care and caregiver needs, alleviate transportation problems, and reorganize work so fewer resources are required. The WDC will define the scope of the research that it needs as a basis for making recommendations on work reorganization strategies.</p> <p>The WDC recommends that administrators of all the initiatives discussed earlier should develop and publish performance evaluations that show the effectiveness of their efforts.</p>	<p style="text-align: right;"><b>Strategy #3</b></p> <p><b>Expand the labor pool in the face of a long-term labor shortage.</b></p> <p style="text-align: center;"><b>Kama`aina Come Home</b></p> <p style="text-align: center;"><b>Hire people who are underrepresented in the workforce</b></p> <p style="text-align: center;"><b>Seek immigration reforms and strategies</b></p> <p style="text-align: center;"><b>Work reorganization</b></p> <p style="text-align: center;"><b>Evaluation data</b></p>
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<p><b>2006 Forum</b></p> <p><b>Drill-down in 4 critical areas</b></p>	<p>Each participant had an opportunity to discuss two of the following <u>critical areas</u> during the breakout sessions of the forum:</p> <ol style="list-style-type: none"> <li>1. Increasing the <b>Availability of Qualified Workers</b> in Hawaii.</li> <li>2. <b>Meeting Employer Skill Needs</b> – aligning educational curriculum with the skills needed by employers.</li> <li>3. <b>Incumbent Worker Training</b> – raising the skill level of employees already in the workforce.</li> <li>4. <b>Education Pipeline</b> – recruitment and retention of students from preschool through secondary and post-secondary education.</li> </ol> <p>Leading the breakout sessions were <u>Community Moderators</u></p> <ul style="list-style-type: none"> <li>• Mary Charles, Founder, MC&amp;S, Inc.</li> <li>• Susan Au Doyle, President &amp; Chief Professional Officer, Aloha United Way</li> <li>• Allen B. Uyeda, President &amp; CEO, First Insurance Co.</li> <li>• James K. Scott, President, Punahou School</li> </ul> <p>and <u>WDC Champions</u></p> <ul style="list-style-type: none"> <li>• Robert Shore, Economist, State DBEDT</li> <li>• Kathy Kawaguchi, Assistant Superintendent, State DOE</li> <li>• James Tollefson, President/CEO, Chamber of Commerce of Hawaii</li> <li>• Mike Fitzgerald, President &amp; CEO, Enterprise Honolulu</li> <li>• Mike Rota, Associate Vice President for Academic Affairs, UH-Manoa</li> </ul>
<p><b>Housing Panel</b></p>	<p>Because the lack of affordable housing is an impediment to recruiting and retaining a qualified workforce in Hawaii, a lunch panel discussed the full gamut of issues surrounding <u>Hawaii’s need for more housing</u>. The panelists were:</p> <ul style="list-style-type: none"> <li>• Moderator Dan Davidson, Executive Director of Hawaii Housing Finance and Development Corporation</li> <li>• Marie Imanaka, President of Wells Fargo Home Mortgage of Hawaii, LLC</li> <li>• Rick Stack, VP for Development of A &amp; B Properties</li> <li>• Craig Watase, President of Mark Development, Inc.</li> <li>• Charles Wathen, president of Wathen &amp; Associates Limited</li> <li>• Jon Yamaguchi, Pres/CEO of Yamaguchi &amp; Yamaguchi, Inc.</li> </ul>
<p><b>Employer’s Success Story</b></p>	<p>The forum ended with Victor Lim, Owner/Operator of McDonald’s franchises, describing McDonald’s workplace culture of respect, training and upward mobility for its employees and no labor shortage.</p>

### III. Keeping Today's Workers Job-Ready

As discussed earlier in Chapter I, employers take considerable responsibility for keeping the skill level of their current employees, also called incumbent workers, up-to-date. This chapter explores the government-funded programs involved in incumbent worker training.

**Hawaii spends an estimated \$4.2 million of State and federal government funds on incumbent worker training, which is less than 1% of all the expenditures being tracked in the 2007 *Directory of Workforce Development Programs*. A summary of these programs is presented in Table 1, and a discussion of each program is presented on pages 24-29. This chapter concludes with the WDC's recommendations.**

**Table 1. Summary of Government-Funded Programs for Incumbent Workers**

Program	See Page	Estimated Government Training Expenditure	Estimated # Served
Apprenticeship	24	\$208,000	6,000
DOE-Community Schools for Adults	25	100,000	375
Employment Creation for Immigrants, Refugees, Low-Income	26	322,000	238
Employment Training Fund	27	830,460	2,006
Food Stamps Employment & Training	29	192,300	345
Migrant & Seasonal Farmworker	26	111,380	56
Rural Development Project	26	300,000	Not reported
Seafarers Training Center	26	0	1,600
TANF	29	978,300	10,642
Trade Adjustment Assistance	28	214,200	70
UH Community Colleges	25	Self-supporting	Not reported
Vocational Rehabilitation Services	29	100,000	375
WIA Adult	28	400,000	90
WIA Dislocated Workers WIA Rapid Response WIA National Emergency Grant	28	473,200	112
TOTALS	--	\$4,229,840	--

## GOVERNMENT-FUNDED PROGRAMS FOR INCUMBENT WORKERS

### **APPRENTICESHIP is the oldest, most proven job training system wherein experienced workers train new workers on the job.**

In modern times, the new worker also takes related practical classroom instruction. Apprenticeships may be initiated by any employer with an experienced journeyman at the workplace and must meet federal and state standards.

Apprenticeship programs are operated by private and public sponsors – employers, employer associations, or joint labor/management groups. Employers pay most of the training costs while also progressively increasing wages to their apprentices as they gain skill. The apprentice pays the balance of the training cost. The only government cost is for administration of the program: \$96,000 for the federal Office of Apprenticeship office in Honolulu and \$112,000 for the state apprenticeship agency housed in the State Department of Labor & Industrial Relations.

In 2005-2006, Hawaii had an average monthly registration level of 6,000 apprentices earning and learning in these industries:

- Shipyard
- Construction
- Health care
- Information technology
- Public Utilities
- Child care
- Agriculture
- Meatcutting

Honolulu Community College (“HCC”) provides the bulk of the classroom instruction, and the Hawaii Carpenters Union Training Center at Kalaeloa supplements HCC’s classes for carpenter apprentices. Approximately one-fifth of the apprentices will go on to become journeymen. Most non-completers drop out during the first year due to disinterest in the academic coursework, drug test failures, and/or the realization that they do not really like the work and working conditions.

A challenging problem for apprenticeships has been the inability of many new applicants to successfully pass the required Industry Entry Tests administered by the unions. A sixth grade level in mathematics and communications is needed to pass these tests. In 2004, WDC contracted with the Employment Training Center to determine if refresher courses for applicants to the Carpenters’ and Plumbing Unions would reduce the failure rate. It did; the failure rate went from 40% to 24%.

The Building Industry Association (“BIA”) conducts a construction pre-apprenticeship training program for applicants with no health issues. Underemployed incumbent workers are among the applicants. The training provides 160 hours of instruction and includes CRAFTMath (geometry and some algebra). The hands-on classes are held three times a week for six months, and the program conducts drug tests. Scholarships from a two-year Office of Hawaiian Affairs grant and tuition payments of \$6,500 have supported the program. Farrington and McKinley Community Schools for Adults have negotiated mutually acceptable arrangements for use of their high school shops. The U.S. Economic Development Agency provided \$2 million of the \$7.75 million construction cost of a BIA training center, a facility required for the program to become accredited. Sixty participants (97%) have graduated. Although the program does not help place people in jobs, 70% of the graduates are employed in the construction industry.

BIA also provides continuing education in blueprint reading for employees. The employer pays \$65 to \$1000 per class.

**Pre-apprenticeship remedial courses have been effective, but expensive. The solution is to engage young people and prepare them for apprenticeships early, as is being done at the Honolulu Community College-DOE construction and other academies.**

**UNIVERSITY OF HAWAII  
COMMUNITY COLLEGES offer  
employers the opportunity to  
buy incumbent worker training.**

The Pacific Center for Advanced Technology Training (“PCATT”) is a consortia of all the Community Colleges in the state and a clearinghouse for employers requesting training for their employees. PCATT refers inquiring employers to the college that delivers the type of training being requested. Leeward, Windward, and the neighbor island community colleges have Offices of Continuing Education and Training/Workforce Development, and employers can call them directly. The colleges’ “non-credit” offerings are self-supporting, although the State pays for facilities and administrative support.

The colleges can customize courses for employers within about a month, take an existing course to the employer’s worksite, register employees into regularly scheduled classes held in the evenings and on weekends, and rent college facilities for the employer’s own trainer. There are many non-credit offerings online through “ED to GO” and the ACT Centers.

The colleges’ customers come from a variety of industries – government, technology, military contractors, telecom, banking, and utilities.

**USDOL believes that community colleges  
are the most flexible quality institutions  
that can deliver timely workforce  
training.**

Therefore, it awards competitive Community-Based Job Training Grants to support workforce training for high-growth/high-demand industries through the national system of community and technical colleges. Colleges and One-Stop Job Centers may apply for the grants. The primary purpose of these grants is to build the capacity of community colleges to train workers to develop the skills required to succeed in local or regional:

- industries and occupations that are expected to experience high-growth, and
- industries where demand for qualified workers is outstripping the supply.

**COMMUNITY SCHOOLS FOR  
ADULTS (“CSAs”) are actively making  
themselves available to customize basic  
skills instruction for the workplace.**

This is in addition to their traditional roles of providing remediation in basic skills and alternative routes to a high school credential.

At Kauai CSA (“KCSA”), “E-Cubed: Enhancing Employee Effectiveness” offers ESL classes at the work site before or after work shifts. Because CSAs receive federal funds to provide English as a Second Language (“ESL”), the CSA pays for the instructor, and the employer only provides the training site and pays for the materials and employees’ time. E-Cubed has been conducted at agricultural and resort work sites.

KCSA, in partnership with the Kauai Chamber of Commerce, local businesses, and the Kauai Workforce Investment Board, also created the Leadership and Empowerment Academy for employees and employers to enhance the leadership and decision-making skills of business owners and employees at all levels. With a Workforce Investment Act grant, KCSA was able to run two cycles of the Academy program, which consisted of seven four-hour modules in the following areas: Consumer Service, Communication, Personal Development, Problem Solving and Decision Making, Time Management, Writing Skills, and Work Relationships.

Before Costco’s recent opening on the island, KCSA introduced the company’s new management staff to cultural assimilation in their new Island home. KCSA only charged Costco to cover costs (instructor, materials, administration).

The Hawaii Hotel & Lodging Association partners with Moanalua, Waipahu, Farrington, and Kaimuki CSAs to deliver Skills, Tasks and Results Training (“START”). The class is about careers in the hotel industry, including bell, front office, food and beverage, and maintenance. Successful completers earn an industry-recognized line level certification.

The Adult Education Institute in April 2007 will provide training to Adult Educators on English as a Second Language in the workplace, sensitivity to and understanding of the Micronesian culture, and realistic career exploration for adults via “Real Games.”

**RURAL DEVELOPMENT PROJECT and RURAL JOB TRAINING INITIATIVE (“RDP”) are USDOL earmark grants.**

The RDP received \$1,789,380 for 2005-2007, and submitted a grant renewal application for \$3,273,000 in May 2006. About a quarter of its funds (\$250,000 a year) support incumbent worker training. Specifically, the RDP has funded landscape technician certification, arborist certification, review for Registered Nurse licensure, leadership development to prepare people for healthcare management positions in community clinics, upward mobility training for all levels of nursing staff, journey workers training in construction, teacher training, pre-college math for educational assistants, food safety and sanitation training, tour guide training, computer training for hotel employees, DOE custodian training, firefighter red card and emergency first responders training, a standard curriculum for Adult Resident Care Home Operators, and streaming video<sup>1</sup> for county fire crews over the internet so they can access the library of courses anytime and train on-site.

The RDP’s grant sets aside funds for Just in Time (“JIT”) training, a strategy that enabled RDP to grant \$45,000 to Maui Community College’s (“MCC”) Office of Continuing Education & Training to develop and demonstrate a course, “Leadership Effectiveness and Development (“LEAD”) for First Time Supervisors”, in August 2006 and then again in Spring 2007. For this period, the RDP covers the training cost with the exception of a \$195 fee for training materials. Without subsidy, the future program fee will be approximately \$1000–\$1700. One of the grant requirements is that the MCC course be sustainable.

**Employers identified first-time supervisor training as needed statewide across all industries, and WDC recommends that the MCC course be replicated statewide.**

**EMPLOYMENT CREATION FOR LOW-INCOME PERSONS, IMMIGRANTS, REFUGEES PROGRAM** assists community-based enterprise development, including business planning, start-up, and client outreach. Examples are business incubators and community kitchens. The program also provides support services so individuals can maintain or expand their business. In 2005-2006, the average cost per participant was \$2,353. The program spent \$322,000 and served 238 persons. There were 49 new business start-ups and 73 new jobs created by expanded or new businesses.

**MIGRANT & SEASONAL FARMWORKER PROGRAM** served 56 seasonal farmworkers, mostly in Kona. The program spent 35% of its \$318,233, or \$111,382, for training, for an average training cost of \$1,989 per participant. Because agricultural employment is characterized by chronic unemployment and underemployment, this program has two approaches to stabilizing the workers’ employment situation:

- Training for occupations that offer higher wages and more stable employment than seasonal farmwork does; 34 farmworkers have found secure employment in food service and tourism. Training was in ESL, Certified Nurses, and Commercial Driver’s License (“CDL”).
- Support services to help workers remain and stabilize their employment in agriculture.

**SEAFARERS TRAINING CENTER** at Kalaeloa started in 2004 to provide a maritime training setting and schedule for regional seafarers, maritime employers, and public entities such as the Hawaii Army National Guard and local fire departments. It is run by the Paul Hall Institute of Human Development based in Maryland. A \$2.5 million grant by the USDOL’s High Growth Job Training Initiative and the union’s training trust fund support projects to prepare workers (1,600 cruise ship workers in 2005) to take advantage of new and increasing job opportunities in high-growth/high-demand and economically vital industries and sectors of the American economy.

<sup>1</sup> Streaming video is a sequence of “moving images” that are sent in compressed form over the internet and displayed by the viewer as the images arrive. With streaming video, a web user does not have to wait to download a large file before seeing the video. Instead, the media is sent in a continuous stream and plays as it arrives.

**EMPLOYMENT AND TRAINING FUND (“ETF”) supports upgrade training of incumbent workers.**

Government workers or government-subsidized employees of a company are not eligible. There are two ways in which employers and employer groups can access ETF funds:

1. The micro program enables employers to register their workers for existing short-term, non-credit training courses offered by ETF-approved training vendors.
2. The ETF awards macro grants, inactive in recent years, to business associations and consortia to develop innovative curricula and programs that address industry training needs of a statewide and/or countywide scope.

ETF pays 50% of the tuition, up to \$250 per course; employers are required to provide a 50% cash match and any excess balance for courses exceeding \$500. ETF’s assistance does not include the cost of books, tools, equipment, and auxiliary and support services. ETF monies are generated through an employer assessment collected together with unemployment insurance contributions. The ETF assessment rate is 0.01% of taxable wages.

In the past year, 53% of the training requested by businesses was for computer-related courses: basic, intermediate, advanced in the more popular computer applications, such as word processing, spreadsheets, database, and presentations, computer-aid design (“CAD”), desktop publishing, local area networking (“LAN”), programming, and internet/web page design. Other popular courses requested by employers were for soft skills (15%), food safety (12%), business/managerial (10%), and in the following order, agriculture/ landscaping, human services, health, and travel industry.

2,006 participants registered for 3,279 classes, averaging 1.6 classes per participant, in 2004-2005. ETF spent \$830,466 for an average cost of \$253 per class. Individuals trained were mid-level employees and managers.

The 14 authorized training vendors are seven of the eight community colleges, University of Hawaii Outreach College, and four computer, one food safety, and two leadership trainers.

Some long-standing issues surrounding the ETF include:

- Administrative costs are 22% of annual expenditures. \$185,199 of \$830,466 went toward administration in 2004-2005.
- Despite the employer expense of paying the Unemployment Insurance surtax and employees to receive training during the workday, there is a required 50% cash match. Although the Legislature required that employers contribute 50% of the cost of the ETF assistance in cash or in-kind contributions, ETF administrative rules specify that the employer’s 50% contribution be in cash. This strategy leaves more money in the fund to provide training. Employer in-kind contributions could include workers’ wages when they use company time for training.
- The training registration approval process is lengthy. The ETF policy needs to be changed to expedite the approval process. Nevertheless, within the past year, ETF personnel have been praised for adopting a “can do” attitude and working to streamline procedures and cut processing time.
- If a preferred trainer is not on the approved ETF vendor list, there is a long wait period to get approval.

**WDC recommends that the Employment Training Fund review all policies and administrative rules to become more business-friendly; e.g., allow in-kind employer match, reduce administrative costs, streamline procedures.**

**WORKFORCE INVESTMENT ACT (“WIA”) DISLOCATED WORKER FUNDS, RAPID RESPONSE, AND NATIONAL EMERGENCY GRANTS (“NEG”) funds are used to provide (1) early intervention for those workers anticipating job losses; and (2) retraining and reemployment assistance for workers who have permanently lost their jobs.**

Nationally, about one-third of the funds go to actual training. Locally, only one-fifth is spent on training, because dislocated workers usually hasten to get another job instead of enrolling in training.

Hawaii’s low unemployment rate affects both the amount of funds allocated to the State (a smaller amount) and the number of dislocated workers (fewer layoffs). With \$383,500 fewer funds and 352 fewer dislocated workers in 2005-2006 than in 2004-2005, the cost per participant was \$859 higher, at \$3,473. This is neither good nor bad, since the type and length of training are determinants in the cost.

The performance results are mixed: There was a dramatic increase in the percentage (79%) of trainees who earned credentials in 2005-2006, whereas only 60% did so the previous year. Because the number who are trained is relatively small, the employment retention rate is a more significant measure, and it fell from 90% in 2004-2005 to 81% in 2005-2006. The labor shortage may be the underlying factor, because dislocated workers have more job opportunities to move on to.

When 170 workers were laid off in 2006 by the closures of the Hawaii Naniloa Hotel in Hilo and the Kapalua Bay Hotel in Lahaina, the USDOL awarded a National Emergency Grant of \$501,402 to Hawaii. The training for the impacted workers targeted the high-demand industries and occupations of health care, construction, and commercial truck driving.

Hawaii also received a \$45,000 National Emergency Grant to plan for Base Realignment and Closure (“BRAC”). Hickam Air Force Base is due to lose 152 military and 110 civilian personnel in March 2007. Later, the Defense Financial Accounting Service (“DFAS”) will move to the mainland, causing further job losses. Naval Station Pearl Harbor will be affected by BRAC in 2009.

Outside Hawaii, the USDOL is piloting Career Advancement Accounts, wherein a displaced or incumbent worker is given \$3,000, renewable for one year, for a total of \$6,000 to get education and training needed to take advantage of new career opportunities in high growth sectors. Pilots are being conducted in four categories:

- Helping workers impacted from layoffs in the auto industry to transition into new employment in high-growth occupations.
- Developing innovative adult education models, working to eliminate functional literacy, and allowing education/training in targeted sectors.
- Targeting low-wage workers, especially former and current Temporary Assistance for Needy Families (“TANF”) clients, who are seeking career advancement in targeted sectors.
- Allowing customized training in targeted sectors, especially the energy industry.

**WORKFORCE INVESTMENT ACT (“WIA”) ADULT funds are primarily for unemployed people, because the purpose of WIA is to assist those with the lowest income.** Some contend that it would be more cost-effective to give the underemployed a boost with additional training. In fact, Northeast Florida has a policy to pay a portion (e.g., 35%) of the training expenses for low income incumbent workers, with the employers paying the remaining amount.

WIA includes an on-the-job training component, wherein WIA Adult funds pay 50% of a participant’s wages, and the employer provides the other 50% plus training and work experience. About 90 Hawaii employers used this WIA provision in 2006-2007. Such contracts are on the fringe of incumbent worker training, and do not represent a high percent of the funds.

**TRADE ADJUSTMENT ASSISTANCE (“TAA”)** provides individuals with a job search allowance, relocation allowance, training assistance, and weekly income support benefits when employment benefits have been exhausted. Of the \$252,000 of TAA funds available to Hawaii in 2006-2007, \$214,200, or 85% was spent on training. There were 70 participants, for an average expenditure of \$3,600 per participant.

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (“TANF”) in this report also refers to TEMPORARY AID FOR OTHER NEEDY FAMILIES (“TAONF”).**

Both welfare programs require welfare recipients to work, and provide incentives to employers and TANF recipients for employment success.

The Supporting Employment Empowerment (“SEE”) Program arranges to have TANF clients hired for a predetermined training period and reimburses the employer \$6.75/hour for up to 40 hours a week. It also provides an additional 14% of subsidized wages toward Unemployment Insurance, Workers Compensation, FICA, etc. TANF clients who stay employed receive additional monetary incentives. The SEE program also provides other supports to the business and employee to ensure continued success on the job. Goodwill Industries has a \$978,330 contract to conduct SEE.

TANF funds can also support post-employment activities, such as skills upgrading for low-income workers and work supports that help low-income workers take advantage of training opportunities.

The number of households receiving welfare assistance has decreased from 22,785 in 1997 to 10,642 in 2005. The average monthly income of former welfare recipients is \$2,705. This is above 125% of poverty level for a family of four, but less than 125% of the poverty level for a family of five.

**FOOD STAMPS EMPLOYMENT & TRAINING PROGRAM**

The program targets able-bodied adults without dependents who are qualified to receive food stamps only if they also fulfill a “20 hour per week” work requirement. These participants may or may not have been working; if they were, their wages were not enough. The purpose of the program is to get these adults employed and on the road to self-sufficiency. The program provides work experience, education, or vocational training, and participant reimbursement to cover work-related expenses and child care.

With 1,490 participants and \$836,149 expended in 2005-2006, the average cost is \$561 per participant. The average exit wage is \$7.59 per hour, which, if the person worked full-time, would bring him or her slightly above the 125% of poverty level yearly wage of \$14,088 for single individuals.

**VOCATIONAL REHABILITATION SERVICES PROGRAM (“DVR”) has the primary goal of providing vocational rehabilitation services to enable eligible individuals with disabilities to achieve gainful employment and economic self-sufficiency.**

Eligible individuals are those who have a physical and/or mental impairment that is a substantial impediment to employment. The DVR estimates about 5% (375 individuals) of those served are employed, but at risk for termination. An estimated \$100,000, or \$267 per participant, provides goods and services necessary for these individuals to achieve a successful employment outcome. Examples of these services include reader services for the blind, interpreter services for the deaf, and rehabilitation technology.

## **WDC Recommendations related to Incumbent Worker Training**

### **Training for first-time supervisors in all industries**

- The WDC recommends that Maui Community College's newly-developed cross-industry course, "Leadership Effectiveness and Development for First Time Supervisors", called "LEAD", be replicated in community colleges statewide.

### **Review ETF policies and administrative rules**

- The WDC recommends that the Employment Training Fund ("ETF") review all policies and administrative rules to become more business-friendly; e.g., allow in-kind employer matches, reduce administrative costs, and streamline procedures.

### **Guidelines for government-supported training of incumbent workers**

- The WDC recommends that when government funds are used for incumbent worker training, such as for grants and WIA customized and on-the-job training contracts, they should:
  1. Complement the company's private training funds. Employer-provided training is the goal.
  2. Target non-managerial workers, especially those at the entry level, because most employers' incumbent worker training concentrates on above-entry level workers. Several government programs bring people only to the minimum level at which an entry level job can be obtained. Further competence and advancement will not occur without proper encouragement and on-the-job support.
  3. Be available to support training that upgrades an employee's skills in another career path; e.g., a hotel housekeeper might train for a reservations clerk position.

## IV. Adult Literacy Programs for Workforce Development

**The National Institute for Literacy defines literacy to include reading, writing, speaking English, computing, and problem solving.** A lack of proficiency in literacy skills has a high economic and social cost to individuals, families, employers, and the State.<sup>2</sup> Hawaii's targeted industries for growth require entry-level workers who are highly proficient in literacy skills.<sup>3</sup> For individuals, higher literacy contributes to their career advancement<sup>4</sup>, their ability to meet unpredictable life events such as natural disasters or financial crises, and their children's literacy and school success.

Adult Literacy programs attempt to remediate literacy deficiency in adults. This chapter provides information on programs in the State and concentrates on Hawaii's Adult Education program, which is authorized by the Adult Education and Family Literacy Act of the Workforce Investment Act ("WIA") and HRS 302A-433 and housed in the State Department of Education ("DOE").

### The Literacy Challenge among Hawaii's Adults

Out of the 824,329 individuals that make up Hawaii's labor force, 24.4% (or 201,362) either have limited literacy capacity or limited English proficiency. These constitute the target population for the Adult Education program.<sup>5</sup>

- Sixteen percent or 132,403 adults do not have a high school diploma. These are adults, ages 16 and over, who are not enrolled or required to be enrolled in secondary school. About half (52%) speak English as a Second Language ("ESL").
- Another 8.3% or 68,959 adults with a high school diploma have limited English proficiency ("LEP").
- Others have high school diplomas but lack "sufficient mastery of basic educational skills to enable the individuals to function effectively in society", the legal definition for putting them in the target population for the Adult Education program.

Others lacking literacy skills show up in the community colleges' remediation classes. The colleges report that 68% of the first-time students enrolled in Fall 2003 were placed in remedial or developmental English classes, and 89% were placed in remedial math.

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<sup>2</sup> See [archon.educ.kent.edu/Oasis/Pubs/econlit](http://archon.educ.kent.edu/Oasis/Pubs/econlit) for a sampling of economic cost.

<sup>3</sup> Entry Level Worker Requirements of 16 US Industry Clusters were outlined by Dr. Willard Daggett, State CTE Biennial Conference, November 13-14, 2006, Honolulu. His presentation is posted at [www.hawaii.edu/cte](http://www.hawaii.edu/cte). Hawaii targets STEM-driven industries, high-skill, high wage ones like construction and health care, strategic ones like education, maritime, alternative fuels.

<sup>4</sup> As the minimum requirement to succeed in the global economy, a number of national and state organizations in the U.S., including the National Governors Association, have identified what in the parlance of the International Adult Literacy Survey is called Level 3 proficiency. One analysis puts this as the level needed for at least a post-secondary education. See [www.nifl.gov](http://www.nifl.gov).

<sup>5</sup> From Profiles of the Adult Education Target Population Report, [www.ed.gov/about/offices/list/ovae/pi/AdultEd/index.html](http://www.ed.gov/about/offices/list/ovae/pi/AdultEd/index.html)

**Hawaii’s Adult Education Program**

About 10% of Adult Education’s target population received remediation from the eleven DOE Community Schools for Adults (“CSAs”) across the State.<sup>6</sup> In 2005-2006, CSAs spent over \$8 million on federal- and state-mandated adult education. The State provided 71% of the funds and the USDOE provided the remainder in the form of an adult education state basic grant.<sup>7</sup> As shown on Chart 1 below, CSAs offer remedial courses in all levels – English, primary education, and secondary education, as well as special interest programs.<sup>8</sup>

**Chart 1. Types of Adult Education Courses Offered in Hawaii’s Community Schools for Adults**

TYPES	BROAD DESCRIPTION OR CONTENT
Adult Basic Education /English as a Second Language (“ABE/ESL”)*	Basic Skills in Math, English, English as a Second Language, Citizenship
High School Diploma Program or Adult Secondary Education (“ASE”)*	General Educational Development (“GED”), C-base/CBHSDP or Competency-Based High School Diploma Program
Industry-Specific Supportive Programs*	START (Skills, Tasks and Results Training) leading to Hospitality and Lodging Industry National Certification, DOE Paraprofessional Training, Literacy Tutor Training, Jobs Skills Training Program, Coast Guard Auxiliary Courses
Transition Support Activities	Reviews for GED test, preparation for college COMPASS (placement) test, Construction Pre-Apprenticeship test
Special Interest Programs for work, entrepreneurship, leisure and other personal reasons**	Computer literacy, foreign language literacy including sign language and medical terminology-oriented, financial literacy, fitness and wellness, arts and crafts, and others

Source: various CSA websites provided through [www.doek12hi.us.edu](http://www.doek12hi.us.edu) under “After School”

\* CSAs charge for materials only

\*\* CSAs charge tuition for their avocational programs

In 2005-2006, Hawaii’s CSAs had 66,706 enrollments. This count includes the number of times enrollees signed up for a class. According to a national study,<sup>9</sup> Hawaii’s CSAs experience a higher proportion of adult learners at a beginner level than its counterparts in other States. Chart 2 profiles Hawaii’s age distribution for learners who completed at least 12 hours of CSA instruction.

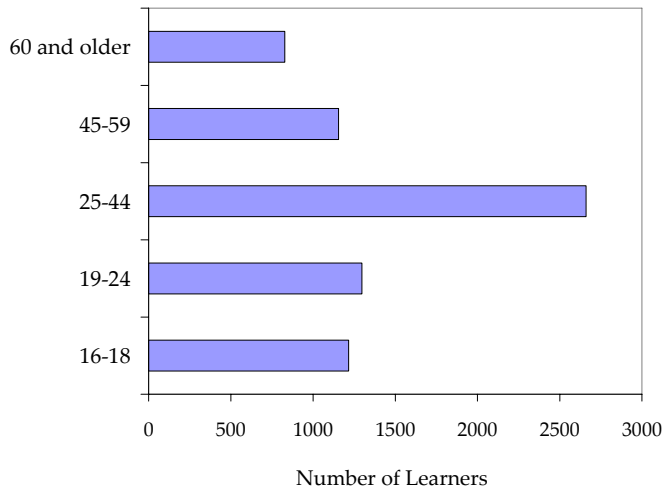
<sup>6</sup> Rough estimate by DOE State Adult Education.

<sup>7</sup> Under the authorizing federal law, the term "adult education" means services or instruction below the post-secondary level for individuals (A) who have attained 16 years of age; (B) who are not enrolled or required to be enrolled in secondary school under State law; and (C) who (i) lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society; (ii) do not have a secondary school diploma or its recognized equivalent, and have not achieved an equivalent level of education; or (iii) are unable to speak, read, or write the English language. State funding is for adult and community education programs as defined by State Board of Education (“BOE”) policy. As recorded in the Hawaii Revised Statutes Chapter 302A-433, the BOE policy is to provide education based on resources available and interest developed in basic elementary education, advanced elementary education, secondary education, adult literacy education, homemaking and parent education, community education, naturalization, and cultural opportunities.

<sup>8</sup> See page 38 CSA ad.

<sup>9</sup> [www.cael.org](http://www.cael.org). A UHCC-DOE Coordinating Council Report to 2003 Legislature assertions supports this finding.

**Chart 2. Age Distribution of 2005-2006 DOE CSA Adult Learners  
Who Attended at Least 12 Hours of Instruction**



Source: National Reporting System Data, DOE Hawaii

**Other Literacy Programs that Serve Adult Learners**

No information is readily available regarding how those who do not use CSAs (90% of the target population) address their need for literacy remediation. Chart 3 shows adult learning alternatives. Tutoring classes are provided by non-profit organizations such as Hawaii Literacy, Inc., remedial courses by community colleges, and customized formats by the DOE, UHCC or other service providers. Non-profit organizations generally provide courses to adult learners at no charge, however the community colleges charge fees. Customized classes are sometimes subsidized by WIA Title I training funds, the First-to-Work program, Career and Technical Education, and other funds. Remedial sites include elementary schools, military bases, community centers, public parks, community colleges, libraries, churches, and distance learning.

A federal program called Even Start Family Literacy served 100 of the neediest families in five elementary schools on Oahu and the Big Island. Last year’s expenditure was close to a million dollars<sup>10</sup>. The USDOE Native Hawaiian Education Program (“NHEP”)<sup>11</sup> also awarded a few project grants for intergenerational literacy.

<sup>10</sup> 2007 *Hawaii Directory of Workforce Development Programs*, available on [www.hawaii.gov/labor/wdc](http://www.hawaii.gov/labor/wdc) in early 2007.

<sup>11</sup> See NHEP Inbox story in the 2007 *Hawaii Directory of Workforce Development Programs*. Note also that Even Start and NHEP are authorized under the No Child Left Behind Act, 2001.

**Chart 3. Adult Learning Alternatives**

<p><b>Who may need adult literacy education?</b></p> <p>↓</p>	<p><b>Stop Outs</b> -adults who temporarily withdrew from US school system - including current Out of School Youth (~7000?)</p>	<p><b>Traditional Immigrants</b> -2,000 to 3,000 a year -About 2/3 from the Philippines</p>	<p><b>New Migrants</b> -include burgeoning Micronesian population estimated count between 8,000 to 15,000</p>	<p><b>Others</b> -Adults who may have lost proficiency due to lack of practice, temporary disability, and other reasons</p>		
<p><b>How do they get linked to an adult education program?</b></p> <p>↓</p>	<p>They are incarcerated or juvenile delinquent. Adult education is an option/part of their road to success</p>	<p>They seek public benefits and part of the condition of receiving such is to be employable or employed</p>	<p>They are employed, or are seeking promotions and need skills or credentials to keep their jobs or get a promotion</p>	<p>Semi-independent or Independent -Part of agreement when dropping out of school -Job hunting and need skills</p>		
<p><b>What assistance do they get?</b></p> <p>↓</p>	<p>Case managed/ individual plan</p>		<p>Advised</p>	<p>Independent</p>		
<p><b>Where do they get educated?</b></p> <p>↓</p>	<p>DOE Community School for Adults</p>	<p>University/ Community Colleges</p>	<p>Employer In-House or Industry HRD Classes</p>	<p>Voluntary-Run Or For Profit Tutorials</p>	<p>Self- Study</p>	
<p><b>What is provided by these settings?</b></p> <p>↓</p>	<p><b>Assessment</b> -Skills -Goal Setting -Others</p>	<p><b>Curricula</b> -Standard -Differentiated -Personalized -Intensive</p>	<p><b>Personnel</b> Full /Part-Time Teachers Administrators Counselors Volunteers, Para - Professionals</p>	<p><b>Peers</b> -diverse world views, age, life experience, social economic background,</p>	<p><b>Transition Services and/or Support Services</b> -counseling -career fairs etc</p>	<p><b>Facilities</b> -learning labs -classrooms -study area</p>
<p><b>What are the desired results of such settings?</b></p>	<p>Basic literacy gains/ Employability</p>	<p>Diploma/Job Qualification Paper</p>	<p>Entrance to College, Apprenticeship,</p>	<p>Employment or Promotion or Business</p>	<p>Others</p>	

**Call to Action: Ideal Adult Literacy System for Hawaii<sup>12</sup>**

A well-functioning learning and career advancement system for adults with limited literacy would be based on the Adult Education program and would include:

- Adult Education classes with rigor and relevance similar to regular education, but with a focus on remediation for adults and increasing skills for incumbent workers
- Opportunity for the adult learner to advance appropriately. Support would be available for different employment and career advancement goals, such as:
  - First job, first wages
  - Better job, better wages
  - Higher skilled jobs, higher wages
- Wherever appropriate, each stakeholder group with common goals would have a cost-beneficial combination of incentives to achieve cost-effectiveness, efficiency and targeted client outcomes.

The following is an assessment of Hawaii’s current Adult Education program (in the left column) and a description of an ideal system for Hawaii (in the right column). The WDC proposes the ideal literacy system as a call to action for Hawaii’s leaders in government, business, labor and education.

<p style="text-align: center;"><b>Characteristics of Hawaii’s Current Adult Education Program<sup>13</sup></b></p>	<p style="text-align: center;"><b>Recommendations to Achieve Ideal Adult Literacy System for Hawaii</b></p>
<ul style="list-style-type: none"> <li>• CSA students have low persistence rates.</li> <li>• Transition to community college or work is viable for the youth or adult learner who starts out with an 8<sup>th</sup> grade literacy level.</li> </ul> <p>A Pre-C Base curriculum makes it viable for an adult learner who starts out from the 5<sup>th</sup> grade level.</p>	<p><b>Higher government investment in Adult Education to:</b></p> <ul style="list-style-type: none"> <li>• Meet the educational needs of out-of-school youth (16-18 years old) exiting from the regular DOE high school system and ensure that per-capita public school expenditure follows the youth.</li> <li>• Provide industry/employer incentives and union education benefits for working adults who are not receiving living wages. Transition to “work <u>and</u> learn”; minimize “work <u>or</u> learn”.</li> </ul>

<sup>12</sup> For Definitions by Examples:

*Building Blocks for Building Skills: An Inventory of Adult Learning Modules and Innovations.* See [www.cael.org](http://www.cael.org)  
*Singapore Workforce Development Agency: Supporting Training, Facilitating Employment.* See [app.wda.gov.sg](http://app.wda.gov.sg)

<sup>13</sup> “Fairly quick and fairly clean” appraisal from Rural Rapid Appraisal methodology. See [www.fao.org/docrep/W3241E/w3241e09.htm](http://www.fao.org/docrep/W3241E/w3241e09.htm)

<p style="text-align: center;"><b>Characteristics of Hawaii’s Current Adult Education Program</b></p>	<p style="text-align: center;"><b>Recommendations to Achieve Ideal Adult Literacy System for Hawaii</b></p>
<ul style="list-style-type: none"> <li>• Transition to community college or work is most challenging among learners with (a) less than 5<sup>th</sup> grade proficiency, (b) GED or high school diploma who are not work- or community college-ready, and (c) multiple barriers needing pivotal nurturing or more subsidy beyond what laws provide.</li> <li>• CSAs provide brief (less than one day) career development intervention activities limited to some or all of their students seeking high school diplomas. The information provided is inconsistent from CSA to CSA with respect to community college requirements and the different “gateways”, such as entry level jobs, military, and apprenticeships.</li> <li>• Learners’ needs are articulated in recent plans and policies. The UHCC-DOE Coordinating Council produced the <i>Adult Basic Education Strategic Plan 2005-2010</i>. Developing assessment strategies, a referral system, and increasing access for student success are included in the Coordinating Council’s <i>Framework for a Comprehensive and Coordinated Adult Basic Education Transition Program</i>. Increasing access and flexibility are among the goals of the DOE’s <i>Hawaii Adult Education Technology Plan 2005-2010</i>. The Board of Education (“BOE”) adopted a policy to implement <i>Equipped for the Future (“EFF”)</i> for Adult Literacy Learning.</li> </ul>	<ul style="list-style-type: none"> <li>• Direct Research and Development funds to develop viable “work and learn” pathways for those with the poorest literacy skills (5<sup>th</sup> grade &amp; below).</li> <li>• Establish a system of career guidance and progressive skills building/training and certification. The system would involve all educational institutions (not just CSAs). The Singapore Workforce Development Agency provides a model.</li> <li>• Collect and evaluate data needed to better focus marketing effort and planning.</li> <li>• Address difficulties related to economies of scale, particularly those arising from the constantly changing mix of learners with individual learning needs and life situations.</li> </ul>

<p style="text-align: center;"><b>Characteristics of Hawaii’s Current Adult Education Program</b></p>	<p style="text-align: center;"><b>Recommendations to Achieve Ideal Adult Literacy System for Hawaii</b></p>
<ul style="list-style-type: none"> <li>• The USDOE Office of Vocational and Adult Education reports that Hawaii’s 2002 expenditure of \$442 per participant was almost half the U.S. average of \$803.</li> </ul> <p>Adult education is a business that has an unusually high need for constant innovation because of changing stakeholder expectations and the changing needs of its students. Even though each CSA develops solutions locally within its own set of resources and networks, all CSAs operate on a “shoe string” budget and only employ part-time teachers.</p> <ul style="list-style-type: none"> <li>• Innovations and activities that are found sporadically across the state include: professional development on EFF (with varying degrees of success), online curricula sharing among teachers, assessment and goal setting for the learner, career development intervention activities for students seeking high school diplomas, the distance learning tools of PLATO and NovaNet, workplace literacy classes, and facility sharing with a nearby community college.</li> </ul>	<p><b>Public Relations, Accountability, Advocacy</b></p> <ul style="list-style-type: none"> <li>• Address misperceptions about CSAs.</li> <li>• Promote “preventive” or “first choice” solutions to literacy.</li> <li>• Advocate for balance and flexibility in laws affecting learners with multiple barriers.</li> <li>• Include Adult Education data in the DOE Superintendent’s Annual Report.</li> </ul> <p><b>Innovative Incentive Grants for CSAs to:</b></p> <ul style="list-style-type: none"> <li>• Provide professional development (e.g., career internship, certification in career guidance) for teachers and support service providers, appropriate use of distance learning technology, partnership building</li> </ul>

SPRING  
CLASSES



# "LIFELONG LEARNING"

## Department of Education ADULT AND COMMUNITY EDUCATION CLASSES

**Free Parking at All School Campuses**

\*Fees May Apply

**CLASS SEATING IS LIMITED**

### TUITION FREE ACADEMIC COURSES

#### ADULT BASIC EDUCATION

Basic English .....  
Basic Math .....  
Family Literacy (Basic Skills) .....  
Family Literacy (Computer Skills) .....  
Reading Tutorial (Literacy Project)\* .....  
Writing Skills .....

#### ENGLISH AS A 2<sup>ND</sup> LANGUAGE

ESL Levels 1-6 .....

#### EL/CIVICS

Naturalization/Citizenship .....

#### HIGH SCHOOL DIPLOMA PROGRAM

Competency Based High School Diploma Program ..... All Community Schools  
Credit Courses .....  
GED 21st Century Internet Program .....  
GED Calculator Review Only .....  
GED Preparation Class .....  
GED Preparation Class On-Line (NovaNET, PLATO) .....  
GED Writing Preparation .....  
Placement Assessment .....  
Pre-GED Math, Reading English Review .....

#### LANGUAGE ARTS

English, Grammar, Composition .....  
English Review .....  
Intensive TOEFL Preparation Course\* .....  
Reading .....

#### MATHEMATICS

Math Review .....

Class schedules and information also available at your nearest Public Library and some grocery stores. Classes vary by school.

### INTEREST and NON-CREDIT COURSES

#### ARTS, CRAFTS, PHOTOGRAPHY

Basket Weaving .....  
Bead Classes/Craft/Various .....  
Brush Painting .....  
Ceramics .....  
Cross Stitch .....  
Drawing, The First Step .....  
Fabric Art & Crafts .....  
Floral Wedding .....  
Flower Arranging .....  
Hawaiian Quilting .....  
Ikebana I & II .....  
Japanese Washi (paper making) .....  
Jewelry Making .....  
Knitting .....  
Lauhala Craft/Weaving .....  
Lei Making, Ribbon .....  
Mosaic Art .....  
Painting, Beginning and/or Advanced .....  
Paper Making .....  
Patchwork Quilting .....  
Photography, Intro or Applied/ BW .....  
Plastic Fab/Acrylic .....  
Scrapbook Design .....  
Basic/Adv .....  
Scrapbooking thru .....  
Basic Memories .....  
Silk Screening .....  
Stained Glass Quilting .....  
Stitch N Things .....  
Stonecarving .....  
Tole Painting .....  
Ukulele Making .....  
Video Editing, Basic .....  
Woodworking, Begin/Inter .....

#### BUSINESS

Accounting I & II .....  
Bank Teller Training .....  
Bookkeeping I & II .....  
Business English .....  
Business Math .....  
Civil Service Exam Preparation .....  
Keyboarding /Typing .....  
Shorthand I & II .....

#### COMPUTERS

Computer Basics w/Internet .....

Computer Literacy, Begin/Inter .....  
Computer Protection/Security .....  
Digital Camera .....  
Getting the Most From Your Computer .....  
Internet Basics .....  
Internet with E-mail Outlook .....  
Microsoft Computer Tune Up .....  
Microsoft PowerPoint .....  
Microsoft Publisher .....  
Microsoft Word .....  
MS Office, Complete Course .....  
Photoshop 7 .....  
Word Processing, Begin/Inter, PC .....  
Spreadsheet, MS Excel I, II, XP .....

#### FAMILY FINANCES

Financial Planning .....  
Basic Investing .....  
Education .....  
Investments .....  
Income Tax Prep .....  
Retirement .....  
Long Term Care .....  
Real Estate .....

#### GARDENING

Backyard Composting .....  
Backyard Gardening .....  
Bonsai .....

#### HOMEMAKING

Cooking .....  
Cake Decorating .....  
Chinese .....  
Island .....  
Sushi Making .....  
Thai .....  
Healthy Cooking .....  
Sewing .....

#### INDUSTRIAL ARTS/CONSTRUCTION

Autobody Repair .....  
Auto Care .....  
Lawnmower & Weedeater Repair .....  
Welding .....

#### LANGUAGE ARTS

Creative Writing .....

#### TUITION

High School English Review .....  
Para (EA) English Level I & II .....

#### LANGUAGES

Arabic through Culture .....  
Chinese - Cantonese/ Mandarin .....  
English, Conversational French I & II .....  
Hawaiian, I, II, III, & IV .....  
Ilokano .....  
Italian I & II .....  
Japanese (Korean) .....  
Japanese, Conversational .....  
Japanese, Reading & Writing .....  
Korean I & II .....  
Korean Studies via TV Drama .....  
Portuguese .....  
Russian .....  
Sign Language I, II, Advanced .....  
Spanish I & II .....  
Spanish, Conversational .....  
Tagalog .....  
Thai I & II .....  
Thai Language & Culture .....  
Vietnamese I .....

#### MATHEMATICS

Algebra I & II .....  
General Math .....  
High School Math Review .....  
Para (EA) Math Level I & II .....  
Pre-Algebra .....

#### MUSIC AND DANCE

Dancing .....  
Ballroom .....  
Country/Western Line .....  
Hula .....  
Belly .....  
Tap .....  
Bon Dance Line .....  
Guitar .....  
Blues .....  
Folk .....  
Slack Key .....  
Hawaiian Singing .....  
Songwriting .....  
Karaoke .....  
Piano .....  
Taisho Koto .....

#### TUITION

Ukulele .....

#### SPORTS, HEALTH & FITNESS

Aerobics .....  
Boating & Seamanship .....  
Body Toning .....  
Cancer Can Be Prevented .....  
Cardio Kickboxing .....  
Diabetes: Prevention & Treatment .....  
First Aid w/Adult CPR .....  
First Aid w/Pediatric CPR .....  
Golf .....  
Karate .....  
Japenese .....  
Lomilomi .....  
Lowering Cholesterol .....  
Massage .....  
Meditation .....  
Officiating, Sports .....  
Pressure Point Therapy .....  
Preventing Osteoporosis & Arthritis .....  
Qigong Exercises .....  
Reflexology .....  
Stott Pilates .....  
Swimming .....  
Tai Chi .....  
Tennis .....  
Weight Training .....  
Yoga .....

#### OTHER INTERESTING COURSES

Amateur Radio .....  
Business Creation .....  
Dog/Puppy Training .....  
Distance Learning On-Line Courses .....  
European Travel .....  
Feng Shui .....  
Fishing Secrets .....  
Hair Cutting .....  
Hawaiian History & Culture .....  
Magic .....  
Medical Terminology .....  
Paralegal .....  
Parenting .....  
People's Law .....  
Power of Silence .....  
Speech .....  
Substitute Teacher Training .....

### REGISTRATION INFORMATION

- Chapter 31 Tobacco-Free School System
- Registration procedures vary. Call schools for specific information regarding courses, enrollment and registration.
  - The chart below lists schools or sites where you may register for classes.
  - Smoking is prohibited at all educational sites and activities.
  - Fees for many schools vary.

- Community Schools for Adults  
Call for registration dates and sites
- A Farrington C.S.A., 1101 Kahi Ave., Bldg. U, Rm. 101  
832-3595/832-3596  
Date:  
Time:
- B Kaimuki C.S.A., 2705 Kaimuki Ave., Rm D101, Honolulu  
733-8460/7338461  
Date:  
Time:
- C Kaiser C.S.A., 511 Lunailo Home Rd. Honolulu  
394-1236  
Date:  
Time:
- D McKinley C.S.A., 634 Pensacola St., Rm. 216, Honolulu  
594/0540/594-0541  
Date/Time:
- E Moanalua C.S.A., 2825 Ala Ilima St., Honolulu  
837-8466  
Date/Time:
- F Alea C.S.A., 98-1278 Ulune St., Alea  
483-7308  
Date/Time:
- G Wahiawa C.S.A., 1515 California Ave., Wahiawa  
622-1634  
Date:  
Time:
- H Waipahu C.S.A., 94-1211 Farrington Hwy., Waipahu  
675-0254  
Date/Time:
- I Kapolei H.S., 91-5007 Kapolei Pkwy., Kapolei  
682-8210  
Date/Time:
- J Windward S.A., Kalaeo H.S., 730 Iliaina St., Kailua  
254-7955  
Date:  
Time:

#### Community Based Organizations

- O Alu Like Inc., 458 Keawe St. Honolulu, 535-1355  
P Hawaii Literacy, 200 N Vineyard Blvd., Suite 320, Hon.  
537-6000  
Q Susannah Wesley Community Center  
1117 Kali St., Honolulu, 847-1535  
R VSA Arts, 2201 Waimano Home Rd., Pearl City  
455-6002

#### NEIGHBOR ISLAND

- Community Schools for Adults  
Call for registration dates and sites
- K Hilo C.S.A., 450 Waiuanue Ave., C-3, Hilo  
(808) 974-4100
- L Kona C.S.A., 74-5000 Puuhuluhuli St., Kailua-Kona  
(808) 327-4692
- M Maui C.S.A., 179 Kaahumanu Ave., Kahului  
(808) 873-3082
- N Kauai C.S.A., 3607A Lala Rd., Lihue  
274-3390

#### Community Based Organizations

- S Hul Malama Learning Center, 375 Mahalani St.  
Wailuku, (808) 244-5911

*It is the policy of the Board of Education that all activities shall be conducted without discriminating against any person because of disability, race, color, religion, sex, age, national origin.*

**Every Adult a Reader...  
No Child Left Behind**

One Stop Centers are operated by a partnership of employment training and job service programs in each county. On Oahu, seven One Stop Centers from Waiailua to downtown Honolulu take a community-based approach to employment and training services. For more information call 592-8820. Workforce Development division Offices on neighbor islands can be reached at the following numbers:

Hilo	974-4126
Kona	327-4770
Maui	984-2091
Molokai	553-3261
Kauai	274-3390

**START Program: Introduction to the Hotel Industry**  
For more information contact:  
Farrington C.S.A., 832-3595/832-3598  
Kaimuki C.S.A., 733-8460/7338461  
Moanalua/Alea C.S.A., 837-8466/483-7306  
Waipahu C.S.A., 675-0254

**Pre-Apprenticeship Construction Program**  
Construction Skills Training  
BIA Contact: Barbara Nishikawa, PACT Coordinator  
Phone: (808) 8471666 ext. 212 or  
E-Mail: Pacl@constructionrang.org

## V. Public Expenditures for Workforce Development Programs

For fiscal year 2005-2006, public expenditures for workforce development programs are estimated to be at least \$2.6 billion. The entire budget of the State Department of Education (“DOE”) and the University of Hawaii (“UH”) system is included in this amount; i.e., 97% of the \$2.6 billion is for Hawaii’s public education systems. The remaining 3% is expended by other agencies involved in workforce development. Table 3 summarizes Hawaii’s government-funded workforce expenditures for fiscal year 2005-2006. State expenditures make up 72% and federal expenses, 28% of the total. The State government pays a proportionately larger share of education-related expenditures than does the federal government (approximately 80%), whereas the federal government pays a larger share of other workforce-related expenditures (approximately 82%).

### Use of Funds

A review of workforce development programs shows the following:

- Beyond funds going to the DOE or UH, the remaining funds are mostly for populations that have multiple employment and employability barriers, such as poverty and low literacy skills.
- The highest cost per participant is recorded by the National Guard’s Youth Challenge Academy at about \$17,000 per participant. This reflects the higher cost of a residential program and other intensive “second chance” activities.
- Programs address workforce supply and workforce preparation gaps, but generally do not address issues related to Hawaii’s workers being able to earn a living wage and the common need to hold more than one job.

It is also important to consider that there are a number of industry-focused initiatives that are not traditionally evaluated as a workforce program, but make meaningful contributions to workforce development in the state. Table 2 lists a few of these initiatives.

**Table 2: Industry-Focused Workforce Development Planning Groups**

Program	Focus	Website, if any
Hawaii Life Science Council	STEM Workforce Development	STEM workforce is critical to meet Hawaii’s preferred engines of growth and lifestyle. <a href="http://www.hawaiilifesciences.org/">www.hawaiilifesciences.org/</a>
UH Travel Industry Management	Hawaii Tourism Industry Workforce Development Strategic Plan Initiative	For a high employment and maturing visitor industry. <a href="http://www.tim.hawaii.edu/applied_research_&amp;_consultancy/">www.tim.hawaii.edu/applied_research_&amp;_consultancy/</a>
UH Center for Nursing	Nursing Shortage	For targeted high skills, high wage industry: Health Care <a href="http://www.nursing.hawaii.edu/hscfn/">www.nursing.hawaii.edu/hscfn/</a>
Hawaii Institute of Public Affairs	Hawaii Jobs Initiative Construction Workforce Development Study	For targeted high skills, high wage industry: Construction <a href="http://www.hipaonline.com">www.hipaonline.com</a>
Teacher Education Coordinating Committee	Teacher Education Strategic Plan	Strategic Industry: K-12 Education
Good Beginnings Alliance	Early Education Workforce Development Plan	Strategic Industry: Early Education <a href="http://www.goodbeginnings.org">www.goodbeginnings.org</a>

**Table 3. Public Expenditures for Selected Workforce Development Programs, 2005-2006**

<b>Workforce Programs</b>	<b>Federal Expenditures</b>	<b>State Expenditures</b>	<b>Total Expenditures</b>	<b># of Participants<sup>14</sup></b>
<b>Total<sup>15</sup></b>	<b>\$570,720,531</b>	<b>\$2,038,734,171</b>	<b>\$2,609,454,702</b>	
<b>DEPARTMENT OF EDUCATION<sup>16</sup></b>	<b>233,100,000</b>	<b>1,513,200,000</b>	<b>1,746,300,000</b>	<b>188,511</b>
Adult Education	2,329,046	5,747,831	8,076,877	66,271
DOD Hawaii National Guard Youth Challenge Academy	1,920,000	1,280,000	3,200,000	180
<b>UNIVERSITY OF HAWAII SYSTEM<sup>17</sup></b>	<b>266,296,000</b>	<b>510,193,000</b>	<b>776,489,000</b>	<b>50,310</b>
Community College System	3,540,927	146,061,900	149,602,827	25,589
Career & Technical Education <sup>17</sup>	6,366,949	4,972,207	11,329,156	45,906
Rural Job Training Initiative/Rural Dev. Project	894,690		894,690	3,884
<b>DEPARTMENT OF LABOR &amp; INDUSTRIAL RELATIONS<sup>18</sup></b>	<b>26,108,597</b>	<b>4,106,532</b>	<b>30,215,129</b>	
Workforce Development Division – WIA programs	9,008,383		9,008,383	1,943
Workforce Dev. Div.– Labor Exchange & related programs	3,295,845		3,295,845	112,031
Workforce Development Division – Sr. Comm. Serv. Empl.	1,864,917	35,000	1,899,917	341
Workforce Development Division – ETF & other programs	96,000	1,341,038	1,437,038	7,271
Research & Statistics/Labor Market/Career Information	1,189,324	322,100	1,511,424	225,174
Office of Community Serv. –Employment-related programs	3,741,935	2,248,394	5,990,329	33,971
<b>DEPARTMENT OF HUMAN SERVICES</b>	<b>25,968,807</b>	<b>9,727,254</b>	<b>35,696,061</b>	<b>3,749</b>
Vocational Rehabilitation	9,611,426	3,355,385	12,966,811	7,474
Temporary Assistance for Needy Families	16,012,450	5,881,061	21,893,511	10,642
Food Stamps Employment & Training Program	344,931	490,808	835,739	1,490
<b>ALU LIKE, Inc.</b>	<b>6,485,030</b>		<b>6,485,030</b>	<b>3,749</b>
Native Hawaiian WIA Employment & Training Program	3,497,871		3,497,871	2,979
Native Hawaiian Career and Technical Education Program	2,987,519		2,987,519	770
<b>OTHER FEDERAL GRANTS</b>	<b>12,762,097</b>		<b>12,762,097</b>	<b>517</b>
USDOL Job Corps	11,982,855		11,982,855	362
USDOL Youth Build Re-Entry Program	68,206		68,206	100
HUD Youth Build Program	296,218		296,218	55
USDOL Youth Offender Program	414,818		414,818	dup. above
<b>SELECTED OTHER STATE PROGRAMS</b>		<b>1,507,385</b>	<b>1,507,385</b>	<b>n.a.</b>
Dept. of Public Safety HI Paroling Authority		78,041	78,041	n.a.
Dept. of Public Corrections Div. educ. program		149,343	149,343	411

<sup>14</sup> Participant unit varies across programs. It can be an individual, a family, a website hit, etc.

<sup>15</sup> Only BOLD numbers in each column are added for TOTAL expenditures.

<sup>16</sup> The total expenditures for the DOE and UH are displayed.

<sup>17</sup> CTE funds go to the UH, who then distributes them to the UH, DOE, and DPS.

<sup>18</sup> The DLIR's total workforce development expenditures are displayed.

## Cost Effectiveness

Most, if not all, publicly-funded workforce programs have quantifiable annual goals, but their cost-effectiveness is difficult to assess. Their respective values or roles in the education-to-work pipeline are often not readily apparent or measurable, and it is therefore difficult to develop recommendations that may lead to changes and improvements in existing programs, or the elimination of ineffective programs and creation of new programs.

Each year, the WDC examines a few of the workforce development programs. Last year, the programs were those serving immigrants and people with disabilities. This year, the programs are incumbent workers and adult education.

- For immigrants, the Department of Labor and Industrial Relations' Office of Community Service provides coordination between programs and has improved cost-effectiveness through performance-based contracts. The WDC did not find duplication of services by programs.
- For people with disabilities, the WDC found that greater coordination is needed between the Division of Vocational Rehabilitation and Department of Education, to improve the transition of students with disabilities from high school to work or post-secondary education. The WDC did not find duplication of services by programs.
- For incumbent workers, services are sparse, and greater coordination between programs and more employers needs to be established. The WDC did not determine effectiveness.
- For adult education, coordination between programs is provided through the DOE-UHCC Coordinating Council. The programs need additional financial support to become more effective. There is some duplication between the programs.

In next year's *Report to the Governor on Workforce Development*, the WDC plans to focus on the results and progress of programs addressing the three strategies proposed in this report: worker preparation for high-skill occupations, skill upgrade of incumbent workers, and labor pool expansion.

## VI. Overview of WDC’s Accomplishments in 2006

<p><b>WDC’s mission</b></p>	<p>The Workforce Development Council has two major missions:</p> <ol style="list-style-type: none"> <li>1. Help to ensure the development of an educated and qualified workforce for Hawaii’s future, and</li> <li>2. Oversee, coordinate, and monitor Hawaii’s implementation of the federal Workforce Investment Act (“WIA”).</li> </ol>
<p><b>Legal Basis, Plans</b></p>	<p>WDC activities are guided by HRS 202 and two plans: (1) the State of Hawaii Workforce Development Strategic Plan and (2) Hawaii State Plan for Title I-B of the Workforce Investment Act (“WIA”) and the Wagner-Peyser Act. Both plans are posted on the WDC web site, <a href="http://hawaii.gov/labor/wdc">http://hawaii.gov/labor/wdc</a> . An overview of WDC’s accomplishments in 2006 includes the following.</p>
<p><b>September Forum</b></p>	<ol style="list-style-type: none"> <li>1. WDC convened a forum of 125 business and community leaders in September 2006. The purpose was for these key Hawaii stakeholders in workforce development, economic development, and education to learn about and better understand each other’s workforce development initiatives and to explore opportunities to pool resources and advance mutually agreed upon actions over the next year. See Chapters II and III for a discussion of the forum outcomes.</li> </ol>
<p><b>WIA responsibilities</b></p>	<ol style="list-style-type: none"> <li>2. In 2006, in accordance with U.S. Department of Labor requirements, WDC renegotiated the State’s WIA performance measures, prepared the required WIA Annual Plan, reviewed and approved local WIA plans, certified the membership of the local workforce investment boards, and participated in workshops designed to improve the outcomes of Hawaii’s WIA youth programs. WDC also drafted the state Department of Labor &amp; Industrial Relations’ waivers from certain WIA requirements. If granted, the waivers will redirect WIA funds to better use, simplify procedures for local workforce investment boards, provide more flexible use of WIA adult funds, and provide incentives for employers to participate in and increase the use of WIA customized training.</li> </ol>
<p><b>Report to the Governor</b></p>	<ol style="list-style-type: none"> <li>3. This <i>2007 Report to the Governor</i> continues the WDC’s series of analyses of the efficiency and effectiveness of workforce development programs in Hawaii and introduces a new Workforce Development Program Directory, which is posted on the WDC web site.</li> </ol>

<ol style="list-style-type: none"> <li>4. To help address Hawaii’s labor shortage, WDC prepared a publication, <i>Solutions at Work</i>, to assist employers in finding, hiring, and retaining populations that are underrepresented in the workforce: immigrants, older workers, welfare recipients, people with disabilities, and people with criminal histories.</li> <li>5. Participation by WDC members and staff in the partnerships described in accomplishments #6-13 keeps the Council’s ear to the ground on workforce-related issues and brings its voice, agenda, and expertise to these community efforts.</li> <li>6. The WDC assisted local workforce investment boards in their effort to obtain funding under the “Reed Act”, which allows distribution of excess unemployment tax revenues. The 2006 state legislature provided the local boards and WDC with \$10 million for improvements in employer outreach and services, labor pool expansion, capacity building, and some operational costs of the One-Stop Job Centers, where both employers and job seekers can find the employment services they need.</li> <li>7. The Hawaii Career Resource Network (“HCRN”) grant focused on career development infrastructure; i.e., promotion of <a href="http://www.acnetwork.org">www.acnetwork.org</a> as the gateway to rich resources such as national career development guidelines, career decision-making tool, guides for K-12 parents, research/policy materials, Career Kokua expansion, and professional development for counselors.</li> <li>8. The WDC had oversight of a \$100,000 state grant to the Hawaii Institute for Public Affairs (“HIPA”) that identified the construction industry’s occupational and training needs by trade and by geographic location.</li> <li>9. The WDC had oversight of a \$50,000 state grant to the Waianae Maritime Academy for training classes in various merchant marine occupations. The trainees are Waianae Coast residents in transition from welfare and other difficult situations. Qualified graduates obtain Licenses as Masters, Mates, Chief Engineers, and Assistant Engineers, or become Head Stewards.</li> </ol>	<p><b>WDC 2006 Accomplishments</b></p> <p><i>Solutions at Work</i></p> <p><b>Partnerships</b></p> <p><b>County Reed Act initiatives</b></p> <p><b>Career Development</b></p> <p><b>Oversight of state grants</b></p>
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# APPENDIX I

## Running List of WDC Recommendations

This year's new recommendations are **bold** and marked **NEW**.

### Job Quality

1. Increase the percent of Hawaii's residents who are employed in "living wage" jobs.

### Labor Shortage

#### Hire people who are underrepresented in the workforce.

2. Move dropouts and people in need of remediation into workforce.
3. Move TANF clients into workforce.
4. Move people with disabilities into workforce.
5. Move ex-offenders into workforce.
6. Help immigrants succeed in workforce.
7. Retain older workers; attract retirees into workforce.
8. Move labor force non-participants into workforce.
9. Move discouraged workers into workforce.
10. Move recovered substance abusers into workforce.

#### Use worker in-migration strategies

11. Improve quality of life to make moving back to Hawaii attractive.
12. Support Kama`aina Come Home strategies.
13. **NEW: Recruit military spouses and retiring military technicians.**
14. **NEW: Seek immigration reforms and strategies to allow more immigrant workers and talent into the country.**

### Education

#### Increase the flow of learners through the education to work pipeline.

15. Increase pre-K participation.
16. Boost family literacy.
17. Increase parenting education.
18. **NEW: Expediently implement the American Diploma project network in Hawaii to improve preparation of students for the key transition points throughout the education to work pipeline, starting with pre-Kindergarten.**
19. **NEW: Direct R & D funds to develop effective strategies for raising literacy skills of adults at 5<sup>th</sup> grade & below level.**
20. **NEW: Increase investment in Adult Education. Communicate and support the literacy role of adult education.**
21. **NEW: Ensure that per-capita public school expenditures follow out-of-school youth to meet their educational needs.**

22. Expand participation by youth and adults in post-secondary degree and certificate programs, including apprenticeships. Make post-secondary education more accessible to adult learners, including incumbent workers: financial aid, child care, distance learning.
23. Keep post-secondary education up-to-date with cross-discipline training among and within majors; with industry input on industry skill requirements.

Support certain subject matter and learning strategies.

24. Provide comprehensive information and encouragement for lifelong career planning.
25. Provide mechanisms to facilitate experiential learning for students and youth in youth programs.
26. Enhance career-relevant education curriculum; e.g., academies.
27. Increase financial literacy.
28. Support entrepreneurial readiness.
29. Prepare workers for emerging and targeted industries and high wage occupations; **NEW: specifically, STEM (Science, Technology, Engineering, Math), Information Technology, Healthcare, Teachers, Safety and Security, and Energy and Environment. Provide graduate fellowships and four-year scholarships as incentives to future teachers and practitioners in the field. Explore Singapore model for skills building system.**
30. Support “Work Readiness” certificates as portable proof of skills.

Encourage Incumbent Worker Training.

31. Follow guidelines for government-supported training of incumbent workers: give priority to employer-provided training; target non-managerial workers; train for different higher level career paths; do not supplant private training funds.
32. Provide incentives for incumbent worker upgrade training; **NEW: initiate a state-funded pilot to introduce Lifelong Learning Accounts (“LiLAs”) and test their feasibility for Hawaii’s businesses and their employees.**
33. **NEW: Create an interactive searchable statewide training database where training providers can respond to defined employer needs.**
34. **NEW: Review and amend all Employment & Training Fund (“ETF”) policies and administrative rules to become more business-friendly; e.g., allow in-kind employer matches, reduce administrative costs, and streamline procedures.**
35. **NEW: Replicate “Leadership Effectiveness and Development (“LEAD”) for First Time Supervisors” in community colleges statewide.**
36. **NEW: Provide internet classes in Employer Capacity Building.**
37. **NEW: Support the 2005 Economic Momentum Commission’s recommended “Rapid Response” training fund within the UHCC to design and deliver customized “just-in-time” training according to employers’ specifications.**

### Shortages in Occupations

38. Recognize alternative certification of teachers as a means of combating the critical teacher shortage.
39. Expand the post-secondary capacity to train nurses.
40. Increase post-secondary healthcare students.
41. Train construction workers.
42. Qualify and replenish law enforcement personnel.

### Planning Data

43. Conduct supply/demand analysis and follow-up, especially for emerging industries' workforce needs.
44. Support State participation in the Census Bureau's Local Employment Data (LED) program.

### Reduce Inefficiencies

45. Use interagency agreements to reduce inefficiencies
46. Analyze funding and program overlaps.
47. **NEW: Collect evaluation data to determine the effectiveness of recent workforce development programs and to adopt promising practices.**