

**LABOR, HEALTH, AND EDUCATION
ISSUES IN THE STATE OF HAWAII**

HEARING

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

SPECIAL HEARING

FEBRUARY 18, 2004—HONOLULU, HI

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LABOR, HEALTH, AND EDUCATION ISSUES IN THE STATE OF HAWAII

WEDNESDAY, FEBRUARY 18, 2004

U.S. SENATE,
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN
SERVICES, AND EDUCATION, AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS,
Honolulu, HI.

The subcommittee met at 9 a.m., at Kaimuki High School, Library, 2nd floor, 2705 Kaimuki Avenue, Honolulu, Hawaii, Hon. Daniel K. Inouye presiding.

Present: Senator Inouye.

Also present: Senator Akaka.

OPENING STATEMENT OF SENATOR DANIEL K. INOUYE

Senator INOUYE. By authority of the Labor, Health and Human Services, and the Education Appropriation Subcommittee, the Honorable Arlen Specter of Pennsylvania, I have the high honor of chairing this morning's meeting. I'm pleased and proud to have with me my colleague Senator Dan Akaka.

The purpose of this hearing is to gather information and to hear from you on three issues: The first, the expansion of the Cancer Research Center in Hawaii. Second, the recently granted legislative authority for Hawaii 3R's to utilize monies in the Native Hawaiian Education funds to repair those public schools to 25 percent or more Native Hawaiian children. And third, the need to expand certified apprenticeship and journeymen training programs to ensure that we have qualified, homegrown tradesmen and women to meet the demand that will come as a result of the privatization of military housing. So we do have a very ambitious schedule today.

In April 2002, I joined the University of Hawaii president Evan Dobbelle and Dr. Carl Vogel for a tour and briefing of the Cancer Research Center of Hawaii. At that time, because of my impression, I committed myself to supporting the growth of the only National Cancer Institute-designated cancer center in the Pacific region.

Hawaii's Cancer Research Center has an outstanding research track record that is multi-ethnic, multi-generational, and multi-national, and I'm looking forward to hearing from the witnesses about the national contributions to be made with the expansion of facilities and programs.

Many of you may be asking: What are we doing holding this meeting in a library at Kaimuki High School? We could have gotten a bigger auditorium or something like that. It is very simple.

This high school is one of the 59 public schools that has received Hawaii 3R's grant, and with it they painted the school cafeteria, the ROTC building, and the music room.

3R's is not a big program. In fact, it's a little initiative that I got involved in about 4 years ago to address some of the smaller repair and maintenance backlog in the public school system. Instead of just sitting by and wringing our hands and doing nothing, we decided that something should be done.

Grants are given out to these schools that are able to provide at least a 1 to 1 match in sweat equity and donations, and in so doing, build community support and pride in the school system. The new legislative authority to expand and spend Native Hawaii education funds will permit this program to reach out to many more schools. And I look forward to hearing from you about the plans you have.

Last, we need to build up a certified apprenticeship and journey-men training program to meet the demand for skilled tradesmen and women, as Hawaii's construction industry is awakened by the surge of military construction and the privatization of family housing. Some have suggested an increase of 10,000 to 15,000 new jobs in the next 5 to 7 years. And 3,100 new construction jobs this year alone.

PREPARED STATEMENT

Whether it is technology or teaching or construction, it always makes more sense to grow our own, to train our own, rather than import workers. This is especially true in Hawaii where we do not have interstate highways to connect us to other States. Therefore, I'm very interested in supporting programs that are State-certified with proven track records to ensure that we are turning out the best and to partnering with our community colleges, our unions, and contractor associations in a matching program that will increase the number of classes and instructors which, in turn, will increase the number of qualified apprentices and journeymen to capture the jobs. Therefore, I look forward to receiving, from this panel, the host of recommendations and ideas to take advantage of this economic opportunity.

[The statement follows:]

PREPARED STATEMENT OF SENATOR DANIEL K. INOUYE

I have the high honor of chairing this morning's field hearing on behalf of Senator Arlen Specter, Chairman of the Labor, Health and Human Services, and Education Appropriations Subcommittee. I am joined by my fellow Senator from Hawaii, Senator Dan Akaka.

The purpose of this hearing is to gather information, and to hear from you on three issues. First, the expansion of the Cancer Research Center of Hawaii. Second, the recently granted legislative authority for Hawaii 3R's to utilize \$1 million in Native Hawaiian Education funds to repair those public schools with 25 percent or more Native Hawaiian children. And third, the need to expand certified apprenticeship and journey-men training programs to ensure that we have qualified, home-grown tradesmen and women to meet the demand that will come as a result of the privatization of military housing.

In April of 2002, I joined University of Hawaii President Evan Dohelle and Dr. Carl Vogel for a tour and briefing of the Cancer Research Center of Hawaii. At that time, I committed myself to supporting the growth of the only National Cancer Institute-designated cancer center in the Pacific region. Hawaii's Cancer Research Center has an outstanding research track record that is multi-ethnic, multi-generational, and multi-national. I am looking forward to hearing from the wit-

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Lastly, we need to build up the certified apprenticeship and journeymen training programs to meet the demand for skilled tradesmen and women as Hawaii's construction industry is awakened by a surge of military construction and the privatization of family housing. Some have suggested an increase of 10,000 to 15,000 new jobs in the next five to seven years. And 3,100 new construction jobs this year alone.

Whether it is technology or teaching or construction, it always makes more sense to grow our own, to train our own, rather than to import workers. This is especially true in Hawaii where we do not have interstate highways to connect us to other states. Hence, I am very interested in supporting programs that are state-certified with proven track records to ensure that we are turning out the best; and to partnering with our community colleges, our unions and contractor associations in a matching program that will increase the number of classes and instructors which will, in turn, increase the number of qualified apprentices and journeymen to capture the jobs. I look forward to receiving from this panel a host of recommendations and ideas to take advantage of this economic opportunity.

OPENING STATEMENT OF SENATOR DANIEL K. AKAKA

Senator INOUE. Before I call upon the first witness, I'm pleased and proud to call upon my colleague Senator Akaka.

Senator AKAKA. Thank you very much to my colleague Senator Inouye. I want to say Aloha to all of you here.

The AUDIENCE. Aloha.

Senator AKAKA. I wish to thank Chairman Inouye for inviting me to participate in this hearing that is very, very important to all of us in Hawaii. We're here to discuss the expansion of the Cancer Center in Hawaii, the need to increase training and certification of tradesmen and women to meet the growing demand of military housing and the need to repair our public schools. We can go on and on about our needs.

But I want to take this time to say Aloha and thank you to Evan Dobbelle, also Governor Lingle, Representatives Abercrombie and Case, Senator Kim, speaking on behalf of Senator Bunda, and Representative Luke, speaking on behalf of Speaker Say, and to all of you in education and labor here, distinguished people, I want to say mahalo nui for being here.

Mr. Chairman, I really appreciate your leadership and your work to increase resources for research and improve access to vital health care services. There has been tremendous progress through research in developing more effective treatments of cancers and in increasing access to health care services.

According to the "Hawaii: Cancer Facts and Figures 2003 and 2004" report, age-adjusted cancer mortality rates in Hawaii and in the United States have continued to decline over the last decade. Although these rates have declined, cancer remains one of the leading causes of death in Hawaii, claiming the lives of approximately 1,700 residents annually. In addition, cancer disproportionately im-

pacts certain individuals within our communities, especially among Native Hawaiians who have significantly higher cancer mortality rates.

Much more needs to be done to increase survival rates of cancer through better treatments and technology, improving access to screening and health care, and the promotion of healthier lifestyles. In order to be successful, health care services and outreach efforts must be linguistically and culturally appropriate. Addressing America's diversity and the challenges it poses to health care continues to be a major problem. We, in Hawaii, are in a more unique situation given our multi-cultural composition. We must be vigilant in ensuring that Hawaii's multi-cultural population and their unique and often divergent health care needs are met.

The Cancer Research Center of Hawaii's stated mission to reduce the burden of cancer through research, education and service, with an emphasis on the unique ethnic, cultural and environmental characteristics of Hawaii in the Pacific, is extremely important. Through the Center's work, it will help reduce the health disparities found among our diverse population and help others learn from our research and our experiences. I look forward to continuing to support research efforts so that the amount of suffering caused by cancer can be reduced and more people are able to survive their battles with cancer.

Another area that we will be touching upon in the hearing, and I thank the chairman for addressing this matter, is the growing demand on Hawaii's workforce, especially in the construction industry. And we're looking at what we call a double whammy.

Last month, at the request of Representative Abercrombie, the Hawaii Institute of Pacific Affairs, Central Pacific Bank, and Pacific Resource Partnership organized the first Hawaii Jobs Summit. The summit brought together representatives from the building industry, trade unions, the Department of Education, the University of Hawaii, economists, business leaders, and contractors to discuss the future demands on Hawaii's labor workforce. This was an important first step, and I thank Representative Abercrombie for his leadership in this effort to shed light on Hawaii's need to address this labor shortage.

As the industry experts have indicated, the growing demand on Hawaii's construction workforce, which is expected to increase by 70 percent over the next 10 years, provides an excellent opportunity for Hawaii's youth and unemployed workers to find gainful employment. However, there is much that still needs to be done in order to ensure that we do not fall short of meeting this demand. And this is what I mean by the double whammy, the retirement of our workforce in the next 7 years and also the need for new construction labor here.

As we address the emerging short-term and potential long-term labor shortage facing Hawaii, we need the private sector, the trade industry, the Federal, State, and local governments to invest in training and certifying all who wish to work in the industry. We must utilize the existing job training programs such as Job Corps, internships, and apprentice programs to fill some of the vacancies. But, in addition, we also need to expand these programs and work

with the stakeholders to create new and innovative ways to meet the long-term labor needs.

Mr. Chairman, regarding schools, I appreciate your efforts to remedy problems in our islands with regard to school construction. I recall my experiences as a classroom teacher and principal, and I remember problems with termites, leaky roofs, and peeling paint. I can picture nodding heads and wandering eyes that showed me that a child was not paying attention, and it was a problem that had to do with the physical environment he or she was in, and not the material they were supposed to learn.

Of course these problems continue to plague us today and serve as even more of a challenge, now that more teachers are incorporating the computer and other new technologies into their instruction, and this expensive equipment needs a protected environment if it is to operate well and last long.

When I visited schools in Ewa Beach last year, I especially recall a meeting with the student government and JPOs at Pohakea Elementary School, including an astute young man who was the school president. He brought to my attention the fact that students desired assistance with their facilities, primarily air conditioning. At that and other schools, I also saw the need for room renovations to better configure a classroom to serve special education kids, repaint aging buildings, and fix concrete walkways. Clearly, we know the things that we can implement that have the potential to increase 10-fold our keiki's ability to learn during the school day.

However, I understand there are budget limitations that hinder the Department of Education from addressing many of these backlogs in infrastructure improvement in a timely fashion, and we are missing learning opportunities every day as kids get older and move up and out of the public education system. This is why the 3R's method to address the \$640 million school construction problem is so compelling.

Mr. Chairman, I'm glad to be here with you. Thank you for including me, and I thank you again for holding this hearing. I believe that the topics that we will be discussing today are very important to the health and well being of Hawaii's communities and look forward to hearing our distinguished witnesses. Thank you.

Senator INOUE. I thank you very much, Senator Akaka.

STATEMENT OF DR. EVAN S. DOBELLE, PRESIDENT, UNIVERSITY OF HAWAII

Senator INOUE. May I now call upon our first panel, the president of the University of Hawaii, Dr. Evan Dobelle, and the director of the Cancer Research Center of Hawaii, Dr. Carl Vogel.

Welcome, Dr. Dobelle. And welcome, Dr. Vogel. Please proceed.

Dr. DOBELLE. Good morning, Senator Inouye, Senator Akaka, distinguished members of the committee and, through them, your distinguished colleague, chairman of the committee, the senior Senator from Pennsylvania, Senator Specter.

My name is Evan Dobelle and I have the privilege of serving as president of the University of Hawaii, a 10-campus public university system that serves 80,000 students with an annual expenditure budget of nearly \$1 billion.

I'm here this morning with my colleague to provide testimony on the construction of the University's new Cancer Research Center, a state-of-the-art facility that will have a profound impact on this country's ability to fight this deadly disease. The building of the new center should be of primary interest to the Nation because Hawaii provides a unique environment in which to conduct cutting edge research that will dramatically aid the fight in developing a cure to cancer.

Let me start by putting this topic into a broader context. Every year over 1 million people in the United States are diagnosed with cancer. Last year alone the costs associated with fighting cancer in the United States was approximately \$190 billion. This is a tremendous economic burden on our country as a whole and the individual citizens and their families who battle this horrible disease. One of the challenges this Nation faces is how to effectively develop proper treatment and care for those who live with cancer, and more importantly, how we can best find a cure.

Statistics show cancer is the second leading cause of death in the State of Hawaii as well as our Nation, and it is the number one killer among Asian Americans and Pacific Islanders. There are 12.5 million Asian Americans currently living in the United States making them one of the largest ethnic groups in the country and the fastest growing minority.

Why is it important that we consider race and ethnicity in our testimony this morning? The reason is differences exist in the incidence of cancer by race and ethnicity, but yet our country's approach to investigating cancer thus far has been insensitive to that fact. The reality is research can only be enhanced when race and ethnicity are taken into account, and it will help our government better formulate national health strategies relevant to the entire population of our country.

Hawaii is home to the most ethnically diverse population in the United States. It provides an ideal environment in which to investigate the causes and study the reasons behind this insidious disease. Examining a variety of racial and ethnic groups in a community such as in Hawaii, where there is not a dominant ethnicity, will assist researchers in learning how genes, diet, environmental factors, culture and behavior affect cancer. This opportunity can only be found in Hawaii because the diversity that exists here cannot be replicated anywhere else in the world.

The cancer experience among ethnic and racial groups varies widely across the world as well as here in the United States. The differences between groups may be related to a variety of factors, including biology, heredity, environmental factors and behavior. It is critical to identify clues to cancer causation as well as ways of detecting these cancers early. Again, the ability to identify them and treat them and ultimately prevent them. It also helps take into account differences in socioeconomic status, education, and access to health care affecting cancer diagnosis and treatment throughout the world.

It is also important to recognize that our State has the largest proportion of ethnically mixed individuals in the country. More than 50 percent of all marriages in Hawaii are considered ethnically or racially mixed. This makes Hawaii a vanguard of the

U.S. population of tomorrow, thus understanding the health disparities that exist in Hawaii today is of critical importance to the rest of the Nation and the world.

In addition to all of these unique cultural aspects, Hawaii is also home to the U.S. Pacific Command, a unified command of all branches of the military in the Asia Pacific region. The Command oversees more than 300,000 military men and women, which represents 20 percent of all active duty personnel. With many of these soldiers deployed into remote foreign locales, they often face unknown health risks that contribute to a variety of illnesses, including cancer. Given that, it is critical to the health of our men and women in uniform in the Pacific that they have access to world class care for all diseases, and our new facility can provide that to our military.

The Cancer Research Center of Hawaii has been the only National Cancer Institute-designated cancer center in the Pacific region for more than 25 years. It is strategically located to identify the lifestyle and genetic factors that contribute to cancer risk, to evaluate safe cancer therapies for ethnic group patients, and to design prevention programs that are culturally and socially appropriate. The Cancer Research Center has a long history of community faculty members who have dedicated careers to studying the striking variations in cancer incidence and survival among the varying ethnic populations in Hawaii. This year alone cancer research faculty generated over \$30 million in extramural research funds that validate the importance of continued research of cancer patterns among ethnic populations.

Although the Cancer Research Center of Hawaii excels as a research unit conducting basic scientific research, population studies, education and community outreach to identify and communicate the causes and cures for cancer, it does not currently perform patient diagnosis and treatment. Incorporating direct patient care and putting research into practice will significantly enhance both innovation and research advancements. The location and diversity of the Cancer Center offers our country an unprecedented opportunity to move beyond simply researching the disease and into clinical cancer care as it relates to ethnic populations in all people. With the addition of a clinical component, the Cancer Center achieves the designation of a comprehensive center by the NCI.

CRCH has excelled in studying the development of cancer but the time is here to accelerate the benefits of our research and put them into practice with an extraordinary physical structure. A new and expanded Cancer Center facility will allow for offering clinical trials with new drugs accelerating the pace of new discoveries, thus leading to ever higher survival rates for cancer victims. Physically combined into our biotechnology complex in the Honolulu neighborhood of Kaka'ako with our John A. Burns School of Medicine and private industry, Hawaii can truly develop a powerful and sustaining biotech industry, which only helps diversify our State's economy. And it all fits in with the dominant recommendation from the Governor's Blue Ribbon Panel that calls for the establishment of a state-of-the-art multi-disciplinarian outpatient cancer care facility run by the University of Hawaii Cancer Research Center in close cooperation with existing health care facilities.

We have the knowledge that must now be translated into practice through clinical application, it thus provides valuable and currently unavailable information for the Nation on cancer in minority populations. The State of Hawaii offers the only opportunity to successfully accomplish this in our country.

Why should the Congress support such a project in the middle of the Pacific? Simply put: It is in the Nation's best interest to do so. The benefits of cancer research in Hawaii are limitless. We can only continue to progress and truly benefit society if we translate that science into practice by conducting cancer research as it directly relates to patients' disease. A new state-of-the-art facility located in Honolulu offers cancer researchers across the world that opportunity. This is not a project that just has impact on a local population; rather the research and care that happens here will have dramatic ripple effects throughout the entire global medical community. We already have strong partnerships with universities in Japan and in Guam as well as mainland collaborations with the National Institutes of Health, the University of California System, and Vanderbilt University.

This program is particularly significant in an age where large numbers of our military will be fighting a global war on terrorism for many years to come. As we continue to send the young men and women off to protect democratic values in very different cultures that expose them to potentially complicated health environments, we are obligated to provide them with cutting edge health related research and progressive public health policies that will properly ensure they will be cared for.

With lessons that we are still learning from Agent Orange in Vietnam and from the Gulf War Syndrome, we must take what history has shown us from modern day combat and ensure that our troops be protected by dedicating significant resources in our national health care infrastructure. A major investment in the Cancer Research Center of Hawaii would be an extraordinary step in that direction.

PREPARED STATEMENT

We thank you, Senators, for your time this morning and for your consideration of this important facility. Simply put, a strong Cancer Research Center of Hawaii means that essential clues in this collaborative effort to fight cancer will be unlocked and it will help in controlling cancer in all Americans. And we thank you for your time.

[The statement follows:]

PREPARED STATEMENT OF EVAN S. DOBELLE

Good morning Senator Inouye, Senator Akaka, and distinguished members of this committee. My name is Evan Dobelle and I have the privilege of serving as President of the University of Hawai'i, a ten-campus public university system that serves 80,000 students and has an annual expenditure budget of nearly \$1 billion.

I am here this morning to provide testimony on the construction of the University's new Cancer Research Center, a state of the art facility that will have a profound impact on this country's ability to fight this deadly disease. The building of this new center should be of primary interest to the nation because Hawai'i provides a unique environment in which to conduct cutting edge research that will dramatically aid the fight in developing a cure to cancer.

Let me start by putting this topic into a broader context. Every year over 1 million people in the United States are diagnosed with cancer. Last year alone the costs associated with fighting cancer in the United States were approximately \$190 billion. This is a tremendous economic burden on our country as a whole and the individual citizens and their families who battle this horrible disease. One of the challenges this nation faces is how to effectively develop proper treatment care for those who live with cancer, and more importantly, how we can best find a cure.

Statistics show cancer is the second leading cause of death in the state of Hawai'i as well as our nation, and it is the number 1 killer among Asian Americans and Pacific Islanders. There are over 12.5 million Asian Americans currently living in the United States making them one of the largest ethnic groups in the country and the fastest growing minority.

Why is it important that we consider race and ethnicity in our testimony this morning? The reason is differences exist in the incidence of cancer by race and ethnicity, but yet our country's approach to investigating cancer thus far has been insensitive to that fact. The reality is research can only be enhanced when race and ethnicity are taken into account, and it will help our government better formulate national health strategies relevant to the entire population of our country.

Hawai'i being home to the most ethnically diverse population in the United States, it provides an ideal environment in which to investigate the causes and study the reasons behind this insidious disease. Examining a variety of racial and ethnic groups in a community such as in Hawai'i, where there is not a dominant ethnicity, will assist researchers in learning how genes, diet, environmental factors, culture and behavior affect cancer. This opportunity can only be found in Hawai'i because the diversity that exists can not be replicated anywhere in the world.

The cancer experience among ethnic and racial groups varies widely across the world as well as here in the United States. The differences between groups may be related to a variety of factors including biology, heredity, environmental factors and behavior. It is critical to identify clues to cancer causation as well as ways of detecting these cancers early, treating them, and ultimately, preventing them. It also helps take into account differences in socio-economic status, education, and access to healthcare affecting cancer diagnosis and treatment throughout the world.

It is also important to recognize our state has the largest proportion of ethnically mixed individuals in the country. More than 50 percent of all marriages in Hawai'i are considered ethnically or racially mixed. This makes Hawai'i a vanguard of the U.S. population of tomorrow, thus understanding the health disparities that exist in Hawai'i today is of critical importance to the rest of the nation and the world.

In addition to all these unique cultural aspects, Hawaii is also home to the U.S. Pacific Command, a unified command of all four branches of the military in the Asia-Pacific region. USPACOM oversees more than 300,000 military men and women, which represents 20 percent of all active duty personnel. With many of these soldiers deployed into remote foreign locales, they often face unknown health risks that contribute to a variety of illnesses, including cancer. Given that, it is critical to the health of our men and women in uniform in the Pacific that they have access to world class care for all diseases. Our new facility can provide that to our military.

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Although the Cancer Research Center of Hawai'i excels as a research unit conducting basic scientific research, population studies, education and community outreach to identify and communicate the causes and cures for cancer, it does not currently perform patient diagnosis and treatment. Incorporating direct patient care and putting research into practice will significantly enhance both innovation and research advancements. The location and diversity of CRCH offers our country an unprecedented opportunity to move beyond simply researching the disease and into clinical cancer care as it relates to ethnic populations and all people. With the addition of a clinical component, the CRCH would achieve the designation of a comprehensive cancer center by NCI.

CRCH has excelled in studying the development of cancer but the time is here to accelerate the benefits of our research and put them into practice with an ex-

traordinary physical structure. A new and expanded CRCH facility would allow for offering clinical trials with new drugs accelerating the pace of new discoveries thus leading to an ever-higher survival rate for cancer victims. Physically combined into our biotechnology complex in the Honolulu neighborhood of Kaka'ako with our John A. Burns School of Medicine and private industry, Hawai'i can truly develop a powerful and sustaining biotech industry, which only helps diversify our state's economy. This all fits in with the dominant recommendation from the Governor's Blue Ribbon Panel that calls for the establishment of a state-of-the-art multidisciplinary outpatient cancer care facility run by the UH Cancer Research Center in close cooperation with existing health care facilities.

We have the knowledge that must now be translated into practice through clinical application, thus providing valuable and currently unavailable information for the nation on cancer in minority populations. The State of Hawai'i offers the only opportunity to successfully accomplish this in our country.

Why should the Congress support such a project in the middle of the Pacific? Simply put: It is in the nation's best interest to do so. The benefits of cancer research in Hawai'i are limitless but we can only continue to progress and truly benefit society if we translate our science into practice by conducting cancer research as it directly relates to patient's disease. A new state-of-the-art facility located in Honolulu offers cancer researchers across the world that opportunity. This is not a project that just has impact on a local population; rather the research and care that happens here will have dramatic ripple effects throughout the entire global medical community. We already have strong partnerships with universities in Japan and Guam as well as mainland collaborations with the National Institutes of Health, the University of California System and Vanderbilt University.

This program is particularly significant in an age where large numbers of our military will be fighting a global war on terrorism for many years to come. As we continue to send young men and women off to protect democratic values in very different cultures that expose them to potentially complicated health environments, we are obligated to provide them cutting edge health related research and progressive public health policies that properly ensure they will be cared for. With lessons that we are still learning from agent orange in Vietnam and from the Gulf War Syndrome, we must take what history has shown us from modern day combat and ensure our troops be protected by dedicating significant resources in our national health care infrastructure. A major investment in the Cancer Research Center of Hawai'i would be an extraordinary step in that direction.

Thank you again for your time this morning and for your consideration of this important facility. Simply put, a strong Cancer Research Center of Hawai'i means that essential clues in this collaborative effort to fight cancer will be unlocked and it will help in controlling cancer in all Americans.

Senator INOUE. Thank you very much, Dr. Dobelle.

STATEMENT OF DR. CARL VOGEL, DIRECTOR, CANCER RESEARCH CENTER OF HAWAII

Senator INOUE. May I now invite Dr. Vogel.

Dr. VOGEL. Good morning, Senator Inouye. Good morning, Senator Akaka, and members of the senate subcommittee staff. My name is Carl Wilhelm Vogel and I am the director of the Cancer Research Center of Hawaii at the University of Hawaii. I'm also grateful for the opportunity to share with you some of the exciting research opportunities for cancer here in Hawaii, as well as some of the challenges that we face in taking full advantage of these research opportunities.

Our cancer center, as President Dobelle indicated, is one of currently 61 NCI-designated cancer centers and, therefore, a member of the most distinguished cancer centers in the Nation. We have reached membership in this elite group of cancer centers because of the ethnic diversity of our State which offers indeed unique research opportunities.

Chart 1 shows the population by race and ethnicity of the State of Hawaii from the 2000 census. As most of you are familiar with, there is no majority group in Hawaii, with Caucasians, Hawaiians,

Japanese, Filipinos, and Chinese representing the five major ethnic groups, and as much as 70 percent of our population is made out of many other ethnicities from many Asian countries and very many Pacific islands. The ethnic levels of our State is unparalleled in this country and, for that matter, in the world.

With regard to cancer research, it provides a unique opportunity because the incidence of cancer in different ethnic groups varies tremendously. As chart 2 shows, as an example, that is the breast cancer incidence in Hawaii, and it is the highest in our Hawaiian population and the lowest in our Filipino population; almost a factor of two.

The next chart shows a similar graph showing male colorectal cancer in Hawaii. And here it is the Japanese population that is at the highest risk and our Chinese population is at the lowest risk. And one more example, a very dramatic example of incidence shown in the next chart, which shows thyroid cancer for which Filipino women are, by far, at the highest risk of developing this disease.

Another very similar observation from our cancer center, as shown in the next panel, it relates to immigrants and cancer in immigrants. It shows that the incidence of breast cancer is relatively low in Japan, but higher in Japanese immigrants to Hawaii, and even higher in second generation Japanese born in Hawaii. It is still lower than if you are caucasian living in Hawaii.

There is another aspect of cancer health disparities in our State which we address in our cancer center. The last chart shows the average rates for cancer incidence and mortality for the different ethnic groups. As you can see, Hawaiians have only the second highest incidence but the highest mortality of cancer, as Senator Akaka alluded to. Furthermore, whereas heart disease is the leading cause of death for most Americans, it is cancer that is the leading cause of death for Asian Americans and Pacific Islanders.

Given the deficits in incidence of our different ethnic groups, our cancer center has excelled in the opportunity to study the causes of cancer. Is it genes? Is it diet? Is it other environmental factors? Is it culture? Is it behavior? And the research results relating to the understanding of the causes of cancer that we discover here are obviously of relevance for the entire U.S. population. However, we are severely restricted in conducting clinical cancer research as it directly relates to patients' disease and the study of new devices and therapies. Our limitations for clinical cancer research are a consequence of the fact that our cancer center is not involved in cancer care. Our limitations for conducting clinical cancer research are regrettable as we have the same unique opportunities in our State for clinical research. The greatest impediment for progress in cancer care is the translation of newly gained knowledge into clinical application.

Dr. Andrew von Eschenbach, the Director of the National Cancer Institute, has clearly formulated the goals of the Nation's effort in addressing the cancer burden: Discovery, development and delivery. In order to translate newly gained knowledge, it needs to be developed into new procedures and drugs in a well-controlled clinical research setting in order to ultimately make better cancer care delivery available to all cancer patients.

The NCI-designated cancer centers play a very crucial role in this translational research, a role that will become even more important with both a growing body of knowledge and a growing cancer burden. If there would be a state-of-the-art care facility in Hawaii, we could not only contribute to the important translational research effort of the Nation, but also contribute to insight and knowledge that could not be generated elsewhere, again due to our multi-ethnic population.

Most clinical trials involving new drugs have been conducted in a caucasian patient population. However, different drugs have different therapeutic effects and different side effects in different populations. It is therefore very important that minority populations participate in the clinical trials of new drugs that emerge from the research pipeline. We would be able to enroll many patients of different minorities into these studies, as approximately three quarters of our population in Hawaii would present minorities from a mainland perspective.

Conducting clinical trials with innovative drugs in Hawaii will not only have a benefit for the Nation's translational research efforts, it will also have a very tangible benefit for patients in our State. For more than 50 percent of our cancer patients we cannot offer any curative care at this point. The enrollment in a clinical trial, and particularly in a trial with a novel drug that emerges from the latest research, represents, in many cases, the only hope for a cure. And with an ever increasing body of knowledge, the emergence of rationally designed drugs that specifically interfere with the molecular disease process in a given cancer will increase, and it is only reasonable to anticipate that clinical trials will increasingly provide a chance for a cure.

Unfortunately, in the absence of a dedicated cancer care facility that provides comprehensive cancer care in an academic setting, access to clinical trials, with novel drugs, will be very limited for cancer patients in Hawaii. As a consequence, some patients and their families who have the means to do so are traveling to the mainland to enroll in such clinical trials, with all of the burden and difficulties, financial and otherwise, that this travel means for the affected families at a time when family, life and work is already burdened with a life-threatening disease. And this is, of course, an option that is not available for most of our patients.

Limited access to clinical trials was also identified by the Blue Ribbon Panel appointed by Governor Cayetano a few years ago and to build a comprehensive cancer center in the State of Hawaii was indeed a prominent recommendation of this panel.

There's one last issue that I need to share with you with regard to the cancer burden in our State. Nationwide, the overall incidence of cancer is leveling off or even starting to show signs of decline. However, cancer is predominantly a disease of age. This fact has very important consequences for the cancer burden of our Nation in the future. As the life expectancy of Americans increases, the number of people 65 and older is constantly increasing. Given these demographics, it is predicted that the number of new cancer cases in the United States will double by the year 2050, from approximately 1.2 million new cases per year to almost 2.5 million cases per year.

Unfortunately, these numbers are even more dramatic for the State of Hawaii as the growth of our older population is outpacing that of the United States as a whole. The doubling of cancer cases for our State will be reached by the year 2030 which will be within the lifetime of many of us in the room here today.

PREPARED STATEMENT

We need to be prepared to address this growing burden of cancer in our State. As I am foremost a physician, I have been working very hard and will continue to do so to convince stakeholders within our State and at the national level that you must join forces to build a comprehensive cancer care facility in our State for our local patients and for the Nation's effort to combat this terrible disease.

Thank you very much for the opportunity to testify this morning.
[The statement follows:]

PREPARED STATEMENT OF CARL-WILHELM VOGEL

Senator Inouye, Senator Akaka, distinguished members and staff of the Senate Subcommittee on Labor, Health and Human Services, Education, and Related Agencies.

My name is Carl-Wilhelm Vogel. I am the director of the Cancer Research Center of Hawaii at the University of Hawaii. I am grateful for the opportunity to share with you some of the exciting research opportunities for cancer in the State of Hawaii, as well as some of the challenges that we face in both taking full advantage of these research opportunities and delivering the best possible care to our cancer patients.

Our cancer center is one of currently 61 NCI-designated cancer centers and, therefore, a member of the most distinguished cancer research centers in the nation. We have reached membership in this elite group of cancer centers because outstanding cancer center faculty have taken advantage of the very unique research opportunities that exist in our state for cancer research.

The basis for this unique research opportunity is the ethnic diversity of our state's population. Chart 1 shows the population by race or ethnicity of the State of Hawaii from the 2000 census. There is no majority ethnic group in Hawaii, with Caucasians, Hawaiians, Japanese, Filipinos, and Chinese representing the five major ethnic groups. The remaining 13 percent are made up of Koreans, Vietnamese, other Asians, African Americans, Samoans, and many other Pacific Islanders. The ethnic diversity of our state is unparalleled in the country and, for that matter, in the world.

Whereas for all races combined, individuals in Hawaii generally have a somewhat lower cancer incidence compared to the United States as a whole, there is great variation in the incidence of different cancers in the different ethnic groups. Let me share with you some incidence data for selected cancer sites. Chart 2 shows that the incidence of breast cancer is the highest in Hawaiians and the lowest in Filipinos. Chart 3 shows the incidence of colorectal cancer in males where Japanese have the highest and Chinese have the lowest incidence. Chart 4 displays data for prostate cancer where Caucasians have the highest and Hawaiians have the lowest incidence. Chart 5 shows a dramatic example of incidence differences for thyroid cancer which is by far most common in Filipino women. These data demonstrate the incredible differences of cancer incidence among our different ethnic groups. As a matter of fact, there is no major ethnic group in our state that is not at highest risk of developing cancer at a given organ site.

Another seminal observation from our cancer center relates to the cancer incidence in migrants. Chart 6 shows that the incidence of breast cancer is relatively low in Japan, but higher in Japanese immigrants to Hawaii, and even higher in second generation Japanese born in Hawaii. This breast cancer incidence, however is still lower than that of Caucasians living in Hawaii. A reversed situation exists for stomach cancer where immigration to Hawaii reduces the incidence in Japanese. Collectively, the differences in incidence rates for different cancers in the different ethnic groups in our state provide for an unparalleled research opportunity to study the multifactorial causes of cancer: genes, diet, other environmental factors, culture, and behavior. This research opportunity is unparalleled, and research results relating to the understanding of the causes of cancer are of relevance for the entire U.S.

population. As a matter of fact, our research concepts are being exported to the mainland. Dr. Laurence Kolonel of our Cancer Center follows a multiethnic cohort of over 200,000 individuals, which includes African Americans and Hispanics in California.

There is another aspect of cancer health disparities in our state, which our cancer center is addressing. Chart 7 shows the average rates of males and females for overall cancer incidence and mortality for the different ethnic groups. As you can see, Hawaiians have only the second highest cancer incidence, but by far the highest mortality due to cancer. Furthermore, whereas heart disease is the leading cause of death for most Americans, it is cancer that is the leading cause of death for Asians and Pacific Islanders in our country. This is more likely to reflect differences in socio-economic status, education, and access to health care. This is further illustrated by Chart 8 that displays the percentages of early stage versus late stage of colorectal cancer at the time of diagnosis among the different ethnic groups. As you can see, Hawaiians and Filipinos are more likely to be diagnosed when their cancer is already in an advanced state.

Given this research opportunity our cancer center has excelled in studying the epidemiology of cancer with particular emphasis on diet and cancer, behavioral aspects of cancer, and genetics of cancer. However, we are severely restricted in conducting clinical cancer research as it directly relates to patient's disease, and the study of new devices and therapies. Our limitations for clinical research are a consequence of the fact that our cancer center is for all practical purposes a research center, and not involved in cancer care. Cancer patients do not come to our cancer center for diagnosis or therapy. As a consequence, it is not recognized as a comprehensive cancer center by the NCI. Our limitations for conducting clinical cancer research are regrettable as we have the same unique opportunities in our state for clinical research. As you are very well aware of, the greatest impediment for progress in cancer care is the translation of newly gained knowledge into clinical application. Dr. Andrew von Eschenbach, the director of the NCI, has clearly formulated the goals of the nation's efforts in addressing the cancer burden: discovery, development, and delivery. In order to translate newly gained knowledge it needs to be developed into new procedures and drugs in a well-controlled clinical research setting involving cancer patients in order to ultimately make better cancer care delivery available to all cancer patients. The NCI-designated cancer centers play a crucial role in this translational research, a role that will become even more important with both a growing body of knowledge and a growing cancer burden. If there would be a state of the art cancer care facility in the State of Hawaii, we could not only contribute to the important translational research effort of the nation, but also contribute an insight and knowledge that could not be generated elsewhere, again due to our multi-ethnic population. Most clinical trials involving new drugs have been conducted in a Caucasian patient population. However, as all of you are aware of, different drugs have different therapeutic effects and different side effects in different populations and individuals. And much for the same reason that the different genetic makeup of different ethnic groups in our state contributes to the different incidence of cancer, it also contributes to the different efficacy and side effects of anti-cancer drugs. It is therefore important that minority populations participate in the clinical trials of new drugs that emerge from the research pipeline. If we were able to conduct clinical trials with innovative new drugs in phase I and phase II studies at a comprehensive cancer center in Hawaii we would be able to enroll many patients of different minorities into these studies as approximately three-quarters of our population represent minorities from a mainland perspective.

Conducting clinical trials with innovative drugs in Hawaii will not only have a benefit for the nation's translational research efforts in cancer. It will also have a tangible benefit for patients in our state. In the area of cancer, enrollment in a clinical trial is almost considered the standard of care. For more than fifty percent of our cancer patients we cannot offer any curative care at this point. The enrollment in a clinical trial, and particularly in a clinical trial with a novel drug that emerges from the latest research, represents in many cases the only hope for a cure for many cancer patients. And with our ever increasing body of knowledge the emergence of rationally designed drugs that specifically interfere with the molecular disease process in a given cancer will increase; and it is only reasonable to anticipate that clinical trials in the future will increasingly provide a chance for a cure. Unfortunately, in the absence of a dedicated cancer care facility that provides comprehensive cancer care in an academic setting, access to clinical trials, with novel drugs will be very limited for cancer patients in Hawaii. As a consequence, patients and their families are traveling to the mainland to be enrolled in such clinical trials, with all the burden and difficulties, financial and otherwise, that this travel means for the affected families. And all this at a time when family, life, and work is already burdened with

a life-threatening disease, at a time when you want to be as close to your family, your home, and support base as possible and not spend days or weeks on end in a hotel on the mainland. As difficult as it is for those patients and their families who have the education and the means to travel to the mainland to be enrolled in a clinical trial, this option is not available for the majority of our cancer patients in the state. Fragmented cancer care and limited access to clinical trials was also identified by a blue ribbon panel appointed to look into cancer care in the State of Hawaii by Governor Cayetano in 1999. Prominently among the recommendations that the members of the blue ribbon panel unanimously made in their final report to the governor was a recommendation to build a comprehensive cancer center in the State of Hawaii.

There is one last issue that I need to share with you with regard to the cancer burden in our state. Nation-wide the overall incidence of cancer is leveling off or even starting to show signs of decline. However, cancer is predominately a disease of age. Whereas it can strike children and even fetuses, seventy-five percent of all new cancers occur in individuals 55 and older. This fact has very important consequences for the cancer burden of our nation in the future. As the life expectancy of Americans increases, the number of people 65 and older is constantly increasing. Given these demographics, it is predicted that the number of new cancer cases in the United States will double by the year 2050, from currently approximately 1.2 million new cases per year to almost 2.5 million cases per year. Unfortunately, these numbers are even more dramatic for the State of Hawaii as the growth of our older population is outpacing that of the United States as a whole. The doubling of cancer cases for our state from currently approximately 5,500 per year to well over 10,000 is predicted to be reached by the year 2030, which will be within the lifetime of many of us in the room here today. We need to be prepared to address this growing burden of cancer in our state. As I am foremost a physician, I have been working very hard and will continue to do so to convince stake holders within our state and at the national level that we must join forces to build a comprehensive cancer care facility in our state for our local patients and for the nation's effort to combat this terrible disease.

I thank you very much for the opportunity to testify to your subcommittee.

Chart 1

Population of Hawaii, Census 2000

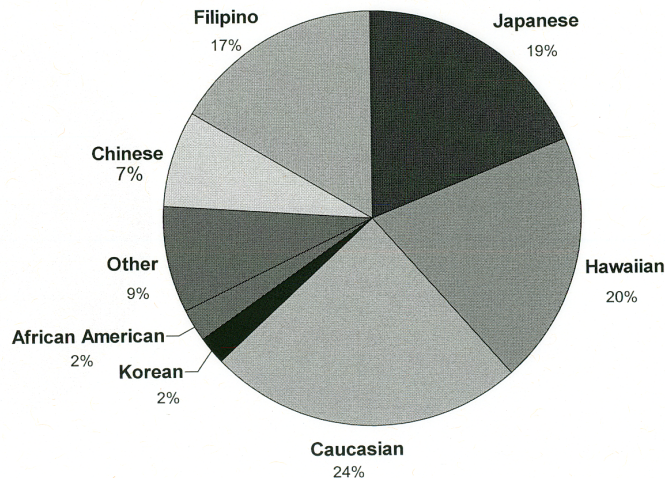


Chart 2

Breast Cancer Incidence in Hawaii

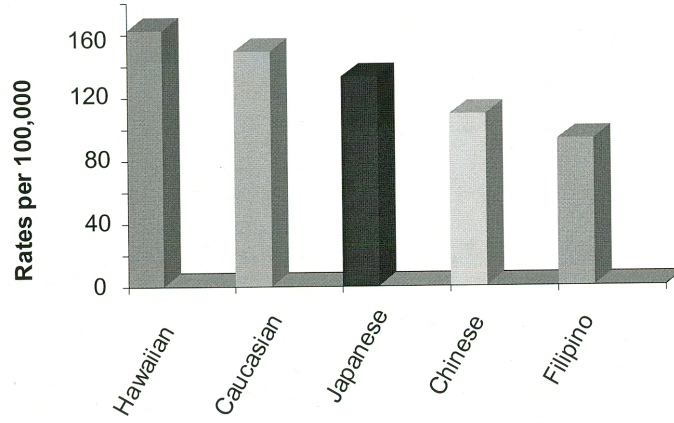


Chart 3

Male Colon Cancer Incidence in Hawaii

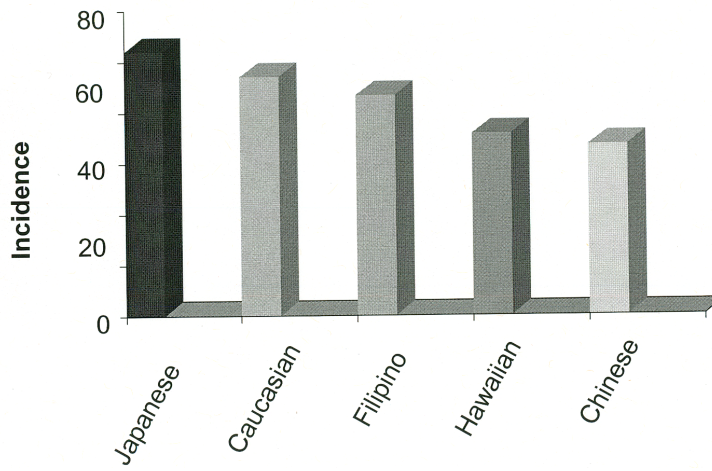


Chart 4

Prostate Cancer Incidence in Hawaii

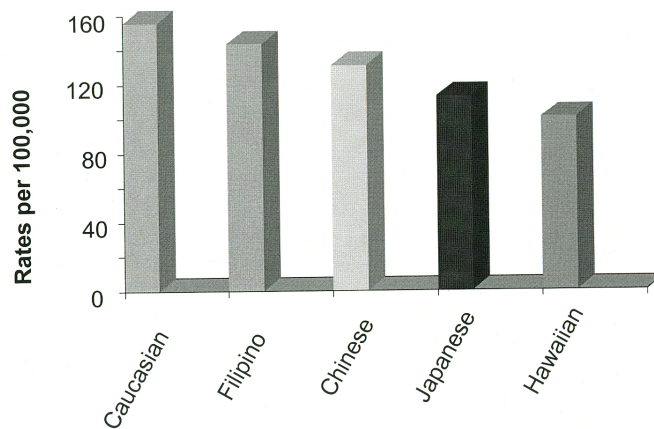


Chart 5

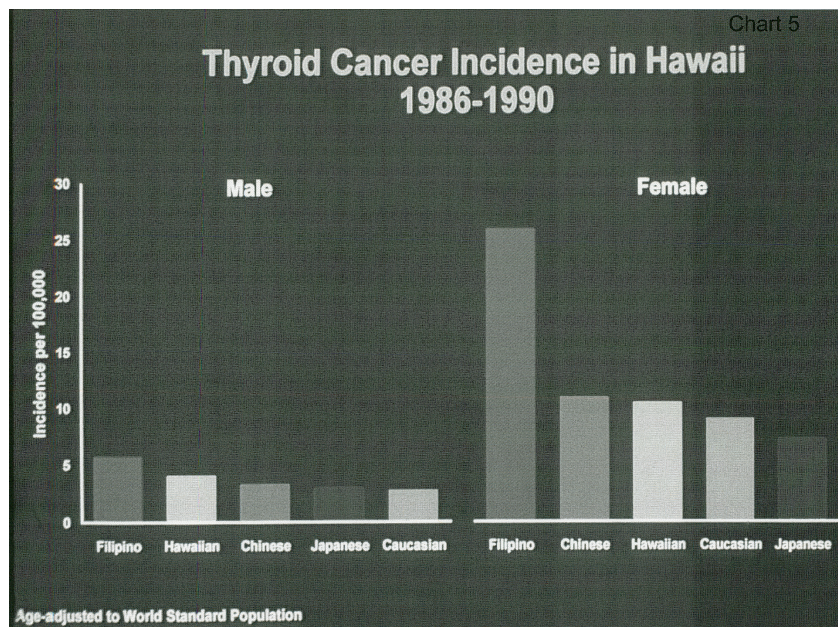


Chart 6

Overall Cancer Incidence and Mortality in Hawaii

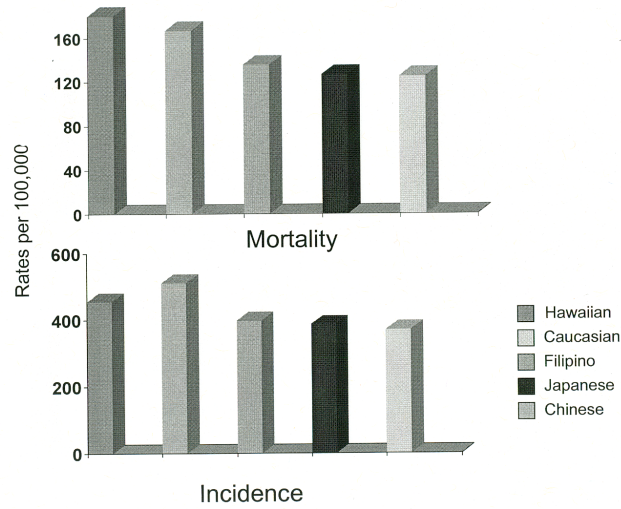


Chart 7

Breast Cancer Incidence in Japanese Immigrants in Hawaii

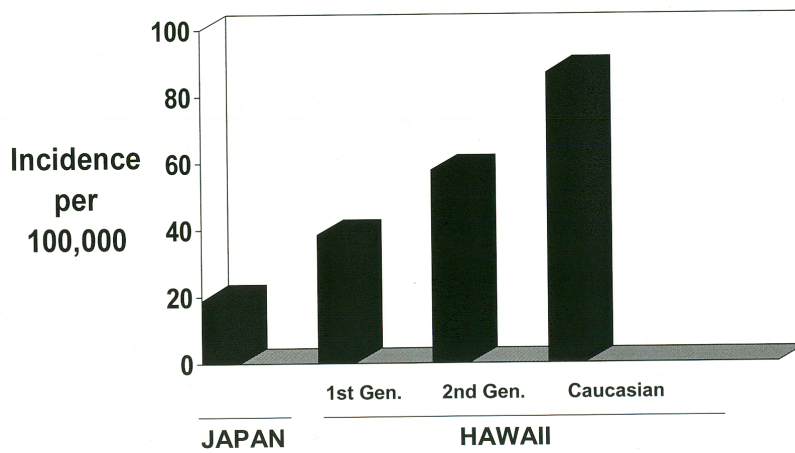
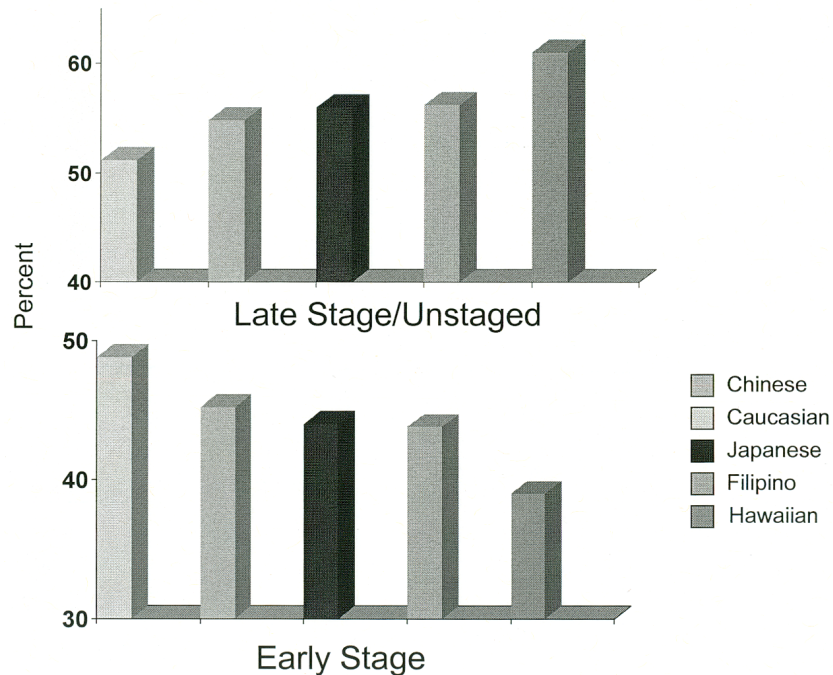


Chart 8

Colorectal Cancer, Stage at Diagnosis



Senator INOUE. Thank you very much, Dr. Vogel.

I wish to commend both of you for taking the initiative in recommending that this project be approved by the Congress of the United States. Because I'm convinced that this center has the potential of being Hawaii's greatest contribution, with the help of our citizens, not just Hawaii but our Nation, and for that matter of the world.

Dr. Dobelle, this is part of the university, is it not?

Dr. DOBELLE. Yes, sir, it is.

Senator INOUE. Have you drafted design plans, or any plans?

Dr. DOBELLE. We are in the process of doing that now, Senator. Working with the facilities at the Kaka'ako site over the next 6 months, we will develop final siting plans and then the architectural renderings.

Senator INOUE. In the drafting of this plan and design, have you been in consultation with the National Cancer Institute?

Dr. DOBELLE. I believe Dr. Vogel has been in conversation, we had the national health representatives out here this last week, with representatives from the University of California, Davis and Vanderbilt University. We've made a number of trips and Dr. Vogel

has made many trips to the National Cancer Institute as well as NIH.

Dr. VOGEL. The National Cancer Institute review panel that we use at our cancer center at regular intervals has clearly identified the need to develop a clinical research component as the greatest one for our cancer center.

Senator INOUE. Is there any cancer center with the potential of this project in the United States?

Dr. DOBELLE. No, sir, there is not.

Senator INOUE. Anywhere in the world?

Dr. DOBELLE. No, sir, there is not.

Senator INOUE. Assuming that everything goes well, when will your plans be ready for submission to the Congress?

Dr. DOBELLE. Senator, we can expedite those immediately. I would say within 6 months. It could probably be within 6 weeks, if that was critical?

Senator INOUE. Do you have any estimate as to the cost involved?

Dr. DOBELLE. Somewhere in the proximity of \$100 million?

Senator INOUE. That is just construction?

Dr. DOBELLE. Yes, sir.

Senator INOUE. What about equipment?

Dr. DOBELLE. That would include the laboratory, Senator, excuse me, that would include laboratory. It would not the desks and furniture, but it would include the physical aspects of the laboratory as necessary to conduct research.

Senator INOUE. Well, I don't want to rush you because often times in rushing a project you make unnecessary mistakes. But if we are to consider this for funding in the next fiscal year, I would say that you would have to have your plans in our hands by the end of June at the latest. But, otherwise, we'll have to consider this for the following fiscal year?

Dr. DOBELLE. We will have it to you by the end of June, sir.

Senator INOUE. Dr. Vogel, is your center ready to take over this world project?

Dr. VOGEL. We are, Senator.

Senator INOUE. Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

I want to thank you for your statements, which were very revealing. President Dobelle, you mentioned in your statement that the Cancer Research Center of Hawaii will be physically combined into a biotechnology complex at Kaka'ako with the John A. Burns School of Medicine as well as the private industry. That is an interesting combination.

My question to you is to ask you to inform the committee about the benefits that you will expect from this combined complex in Kaka'ako?

Dr. DOBELLE. Thank you, Senator. That goes to the heart of the question of leveraging taxpayers' resources, and this is something that not only does well in investigating disease but also in expanding and diversifying the economy of the State of Hawaii.

The new John A. Burns School of Medicine under construction, the first building open in September 2004, the last building in 2005, would be adjacent to the Cancer Research Center and the Pa-

cific biotechnology facilities of the University of Hawaii. There are, as you and Senator Inouye have, with your colleagues, given resources to the National Institute of Health where there's almost \$23 billion a year now available for biotechnology research, when you add in the other monies that are available through cancer, heart funds, and Muscular Dystrophy, and other kinds of non profit organizations, there's approximately another \$12 to \$13 billion, which leaves \$35 billion in research available.

If one were to use the term "market share," the increase of the ability of the Burns School of Medicine, which produces \$7 million in research annually today, along with the Cancer Research Institute, which produces \$30 million a year at the present time, we expect that we would be able to have at least \$200, \$300, or \$400 million a year more in research money being brought to Hawaii, at a minimum; and working with venture capitalists, this is a powerful enough university, and because of you and Senator Inouye, with the aid of the largest federally sourced research institute in the United States.

Many people presume we need multi-universities to create a biotechnology world. You don't. People will look at 128 outside of Boston, look at all the universities, Harvard, and MIT, and others, Boston University, Boston College, look at the triangle in North Carolina, between North Carolina State—Duke, and Capitol Hill, the University of Texas—Austin alone, the University of California—San Diego alone, University of Washington in Seattle alone.

The University of Hawaii alone, particularly reaching out to the Pacific to our partners in Japan, in China, in Guam has the capacity to be a powerful, powerful biotechnology industry for the world located here in Hawaii. And, therefore, the resources that are not only being given, perhaps by the government, to be able to find cures for cancer, particularly using the protocols of the Asian American population here, also has the capacity to hugely diversify the economy of Hawaii which right now is heavily dependent, as you well know, on tourism and on the military.

Senator AKAKA. Dr. Vogel, you mentioned in your statement what you've been doing. I'd like to ask you to describe just one of your innovative research projects that has been conducted by the Cancer Research Center of Hawaii, and especially how, having it done in Hawaii, makes a difference.

Dr. VOGEL. Well, there obviously have been many projects over many years, Senator Akaka. But one very large project that comes to mind that is conducted out of the leadership of Dr. Laurence Kolonel in our Cancer Center is a large multi-ethnic cohort. Dr. Kolonel and his colleagues here in Hawaii and in collaboration with the University of Southern California's Cancer Center have a cohort of over 215,000 individuals enrolled in a long-term study to track individuals over many decades and they're collecting a large biorepository of materials from these individuals so that in the future we can go back and analyze these and understand why or why not individuals may have developed cancer. That is the largest cohort, to my knowledge, in the United States, and probably for that matter in the world.

Senator INOUE. Well, gentlemen, I thank you very much for your testimony and I'm certain you can sense our enthusiasm for it. And I can ensure you that your congressional delegation will do everything possible to make certain that this contribution of ours becomes a reality. I think this is a worthy project, worthy of Hawaii, and worthy of the scientific community. So I look forward to working with you.

We'll have your design plans when?

Dr. DOBELLE. The first of June.

Senator INOUE. First of June. Thank you very much, Dr. Dobelle and Dr. Vogel.

Dr. DOBELLE. Thank you for your leadership, Senator.

Dr. VOGEL. Thank you.

STATEMENT OF MS. DEW-ANNE LANGCOAN, VICE PRESIDENT, HAWAII PACIFIC HEALTH

Senator INOUE. Now may I call upon the vice president of the Hawaii Pacific Health, Ms. Dew-Anne Langcoan, and the president and chief executive officer of the Queen's Health Systems, Dr. Gary Okamoto, and Dr. Jonathan Cho.

Ms. Langcoan.

Ms. LANGCOAN. Thank you. Good morning, Senator Inouye and Senator Akaka, members of the committee and guests. My name is Dew-Anne Langcoan. I'm executive vice-president for Hawaii Pacific Health, which is the parent organization for Kapiolani Medical Center, Pali Momi Medical Center, Straub Clinic & Hospital, Wilcox Hospital, and Kaua'i Medical Clinic on the Island of Kaua'i.

As we have already heard, the Cancer Research Center of Hawaii is already an important contributor to the national cancer scene. However, it has the potential to become a national role model in cancer research with expansion to comprehensive status and the addition of an outpatient clinical cancer facility. To understand the Cancer Center's full potential, we can look to the priorities set forth by the National Cancer Institute for 2004.

The NCI plans to redouble its efforts to eliminate disparities in cancer research and treatment related to gender and race. Progress in the treatment of cancer will depend largely on the development of new drug therapies. The FDA has already begun to recognize the importance of studying such ethnic differences by often requiring ethnic diversity among clinical trials participants. Hawaii is a very unique location to conduct such clinical trials because of its ethnically diverse population which is also clustered in a close geographical area. It is just about the only place in the world where a physician researcher can simultaneously study the treatment of Japanese, Chinese, Filipino, Korean, or Hawaiian patients as compared with a larger population of caucasian patients. Expanded research capabilities in Hawaii would improve worldwide cancer treatment by customizing therapy to each patient's ethnicity.

Another priority of the NCI is increasing the understanding of genes and the environment on the effective approaches to cancer. The study of family registries and environmental risk factors are high priorities. Researchers require a stable population in order to have a stable gene pool to study. Hawaii's population is very stable with low rates of in and out migration and often times multiple

generations of the same family living in the same area. Next to Utah, Hawaii offers the most robust concentration of multi-generational families who have lived in the same environmental area. Both factors are critical to effective genetic cancer research.

Next, the National Cancer Institute's vision is to more fully integrate discovery activity by bringing basic scientists and clinicians together to find the answers. The vast majority of cancer centers across the country are based in university hospitals with exclusive physician faculty groups. In such closed systems getting new treatments into the university's primary care clinics is relatively easy but the dissemination of that knowledge to private practitioners of the community is very slow and often impossible. Cancer centers struggle to get new discoveries and clinical trials into main stream medicine.

Here, again, Hawaii is unique. Instead of a single dominant university hospital, Hawaii has adopted a community-based network of affiliated hospitals and teaching faculty physicians. With expansion into a clinical facility via a public/private partnership, the Cancer Research Center of Hawaii must develop a model that works within our community-based framework. Rather than competing with private hospitals and physicians, the clinical facility can serve all providers and connect the community as a hub with many spokes into the cancer care delivery network. Few cancer centers across the country have achieved such close integration with community providers. Hawaii's comprehensive cancer center could serve as a template for a system that quickly moves new discoveries from the bench to the bed side.

PREPARED STATEMENT

Finally, the NCI is interested in furthering the study of bioinformatics. The ability to capture electronic cancer medical data for an entire community, trend it and study it through disciplined research is unprecedented to date. Hawaii has a once in a lifetime opportunity to create such a community wide cancer data repository. Three of the largest health care providers in the state have independently selected the same vendor for their future electronic medical record needs. No other community in the country can boast a single information platform from which to collect cancer data. Hawaii could be the first.

Hawaii is unique in so many ways, and its ability to contribute to cancer research throughout the country and the world is immense. Funding for an expanded research and clinical facility can provide the needed fuel to accelerate Hawaii's fulfillment of its potential.

Thank you for the opportunity to speak today.
[The statement follows:]

PREPARED STATEMENT OF DEW-ANNE LANGCOAN

Honorable Committee Chair, Members and Guests: The Cancer Research Center of Hawaii plays a vital role in cancer treatment today by making available cooperative clinical trials and research leadership to physicians and local hospitals. While already an important contributor to the national cancer scene as one of only 61 NCI designated cancer centers, the Cancer Research Center of Hawaii has the potential to be a national role model for cancer research with an expansion of the Center to comprehensive status and the addition of a centralized outpatient clinical cancer fa-

cility. To understand the tremendous research potential the Cancer Center has, we can look to the priorities set forth by the National Cancer Institute (NCI) for 2004.

The NCI plans to redouble its efforts to eliminate disparities in cancer research and treatment related to gender and race. Hawaii can play an important role in accomplishing this goal via the study of the differences in effects of therapies and drug treatments between ethnic groups. Progress in the treatment of cancer depends largely on the development of new drug therapies, and the FDA has already begun to recognize the importance of studying such ethnic differences. Historically, the FDA approved drugs on the assumption that those found safe and effective in Caucasian males would be equally safe and effective in other humans including women, children and people of other ethnic origins. Today, however, it is widely accepted that a person's response to a medication does indeed vary according to gender, age and ethnicity. Increasingly, the FDA requires ethnic diversity among clinical trial participants. Hawaii is a unique location for such clinical trials because of its ethnically diverse population that is also clustered within a close geographical area. It is just about the only place in the world where a physician researcher can simultaneously study the treatment of Japanese, Chinese, Filipino, Korean, Hawaiian, or patients of other ethnic origin as compared with Caucasian patients. Expanded research capabilities in Hawaii would improve worldwide cancer treatment by furthering the customization of therapy to the patient's ethnicity.

Another priority of the National Cancer Institute is increasing the understanding of genes and the environment on the effective approaches to cancer prevention, early detection, and treatment. The study of family registries and environmental risk factors for susceptibility of cancer genes are high priorities in the national cancer agenda. To accomplish such, researchers require a stable population in order to have a stable gene pool to study. Hawaii's population is very stable with low rates of in and out migration and often times multiple generations of the same family living in the same area. Next to Utah, Hawaii offers the most robust concentration of multigenerational families who have lived in the same environmental area—both factors are critical to effective genetic cancer research studies.

Thirdly, the National Cancer Institute's vision is to strive to more fully integrate discovery activities by bringing basic scientists and clinicians together to find the answers. The vast majority of cancer centers in the country are based in university hospitals with closed faculty physician groups. While the translation of new discoveries into the university's own primary care clinics is relatively easy in such a closed system, dissemination of the knowledge to community based private practitioners is very slow and often impossible. Cancer centers across the nation struggle to get new discoveries and clinical trials into mainstream medicine in order to reach a large number of patients. Here again, Hawaii is unique. Rather than a single dominant university hospital, Hawaii has adopted a community-based network of affiliated teaching hospitals and physician faculty. With an expansion into a clinical facility via a public/private partnership, the Cancer Research Center of Hawaii must develop a model that works within our community-based framework. Rather than competing with private hospitals and physicians, the clinical facility must serve all providers and connect the community as the hub with many spokes into the cancer care delivery network. Few cancer centers across the country have achieved such close integration with community providers. Hawaii's comprehensive cancer center can serve as a template for a system that quickly moves new discoveries into mainstream medicine for faster benefit to patients.

Finally, the National Cancer Institute is interested in furthering the study of bioinformatics. The ability to capture electronic medical data for an entire community, trend it and study it through disciplined research is unprecedented to date. Hawaii has a unique, once in a lifetime, opportunity to create such a community-wide cancer data repository with three of the largest healthcare providers in the state having independently selected the exact same vendor for their future electronic medical record needs. No other community in the country can currently boast a single information platform from which to collect data. Hawaii could be the first. Additionally, a community-wide electronic medical record would make it even easier for primary care providers to access clinical trials from their desktops thus increasing the speed of getting the latest in scientific knowledge to the patient bedside.

Hawaii is unique in so many ways, and its ability to contribute toward the advancement of cancer research throughout the country is immense. Funding for an expanded research and clinical facility can provide the needed fuel to accelerate Hawaii's fulfillment of its potential by pulling together, academic, clinical, research and community cancer providers as a team in the fight against cancer.

Thank you for the opportunity to speak today.

Senator INOUE. Thank you very much, ma'am.

**STATEMENT OF DR. OKAMOTO, PRESIDENT AND CEO, THE QUEEN'S
HEALTH SYSTEMS**

Senator INOUE. Now may I call upon Dr. Okamoto.

Dr. OKAMOTO. Good morning, Senator Inouye, Senator Akaka, and I'd like to acknowledge other distinguished guests and witnesses who are here today. Thank you for this opportunity to share my views regarding cancer care and its relationship to our national interest.

Queen's roots go back to the mid-1800s when epidemics were decimating the indigenous Hawaiian population and were threatening the very existence of Hawaii as a sovereign nation. Seeking a strategy to restore the health of their people, Queen Emma and King Kamehameha IV founded Queen's Hospital in 1859.

Now, 145 years later, Queen's Medical Center, its doctors and nurses, face the silent epidemic of cancer among the people of Hawaii that you have heard from preceding experts. Cancer clearly negatively affects several objectives of our broad national interest which are of great relevance to our discussion today: The health of our citizens, our economic productivity, and quality of life.

My testimony, however, attempts to address these objectives of national interest from the standpoint of a community based strategy that builds on existing institutions and their core competencies in cancer care and at the same time respects the importance of having a comprehensive cancer designation for our Cancer Center that Dr. Vogel described.

We propose that the Queen's Medical Center be designated as a comprehensive coordinator, a role, if you will, for cancer research, education, and service in Hawaii. In a collaborative relationship that builds upon our existing track record, the medical center leaders can bring together the Cancer Research Center of Hawaii, the John A. Burns School of Medicine, the University of Hawaii School of Nursing, the Tripler Army Medical Center, the Veterans Administration and Clinic Program, and other key providers, like Hawaii Pacific Health, who have demonstrated their expertise in research, education and clinical service.

For Hawaii's small size and geographic isolation, such a programmatic approach would optimize finite resources and avoid wasteful duplication of facilities, technology and health care professionals. Our community-based model calls for a community-based system of coordination among existing capable institutions and not for a model of centralization and redundancy.

The proposed coordinated cancer program would have four broad inter-related objectives. First, integration: Existing providers of cancer care would be coordinated and integrated into a program that links clinical services with research and education. The integration must bring value to the person and family in their home and community and island culture.

Second, economic sustainability: The program would need to be sustainable in the long run avoiding the duplication of capital intense resources and recognizing the critical shortages of many knowledgeable workers in health care. The program would set goals for individual institutions to build on their respective core competencies in cancer.

Third, flow of research to provider: Research needs to be driven by patients and patient care, not the other way around. Across the Nation the finest comprehensive cancer programs, such as MD Anderson and The Mayo Clinic, have the patient as the focus of treatment. With appropriate Federal support, Queen's could build upon its existing relationship with the University of Hawaii and other local health care institutions to create a seamless flow between patient care and research.

Fourth, access: Access to the highest quality of cancer care to community screening, to outreach workers linking at-risk individuals to the appropriate physicians, nurses, resources and facilities as quickly as possible is our highest priority. We know that native Hawaiians have the highest mortality rates for cancer, for example, because they do not receive cancer care earlier enough. Early diagnosis and timely intervention is essential to cancer care and survival. We know that only the wealthiest among us have the economic means to travel to the Continental United States to access centers like Mayo and MD Anderson. And Queen's is determined to provide Hawaii's people with access to similar quality of care as the best centers in our Nation. To offer anything else would compromise the values of our Ali'i founders. And we would do that in coordination and integration with other leading health care providers.

Through such a comprehensive cancer program that is community based, we believe that cancer care capacity of Hawaii would be expanded and strengthened to address national interest concerns, namely, access to health care, economic productivity and quality of life.

Thank you for the opportunity to share my views.

Senator INOUE. Thank you very much, Dr. Okamoto.

STATEMENT OF DR. JONATHAN K. CHO, A PRACTICING COMMUNITY ONCOLOGIST

Senator INOUE. Dr. Cho.

Dr. CHO. Good morning, Senator Inouye, Senator Akaka, distinguished members of the audience. My name is Jonathan Cho and I'm a physician specializing in the care of cancer patients.

For the past 12 years, I have been associated with the Cancer Research Center of Hawaii through its clinical trials program. This association has enabled my patients and I to actively participate in clinical trials. The Cancer Research Center of Hawaii has been the focal point of cancer research in Hawaii for many years. Their commitment to the promotion of clinical studies over the years has given hundreds of patients access to new cancer treatments.

I'm here today to provide a practicing physician's perspective on having a comprehensive cancer center in Hawaii. I see several advantages for the establishment and development of such an institution. Unlike many other diseases, optimal care of the cancer patient requires a coordinated effort by many different disciplines. First, having a comprehensive cancer center would provide a setting in which such coordinated multi-disciplinary care would be delivered.

Second, a comprehensive cancer center would provide cancer patients access to new and innovative cancer treatments. Presently,

the majority of cutting edge cancer treatments are administered in academic centers and/or in designated cancer centers throughout the country. Patients cared for at these institutions have the opportunity to receive state-of-the-art treatment. The presence of a comprehensive cancer center here will make it much easier to attract and conduct such studies in Hawaii and thus give our patients similar opportunities.

Third, a comprehensive cancer center in this community is likely to enhance the knowledge of the medical professional caring for cancer patients. Such an institution would attract notable researchers and academicians. This, in turn, may result in training programs for young physicians and paramedical personnel creating an environment which nurtures learning and research. Continued medical education programs would improve, all being focused, and hopefully resulting in enhancing the medical professional's knowledge base.

Finally, and probably most important, Hawaii's unique and diverse ethnic population creates fertile ground for the study of cancer. According to the 2000 U.S. census, Hawaii leads the Nation with 41.6 percent of its 1.2 million people reporting an Asian heritage. This is significant because, as a small State, Hawaii has the fourth highest percentage of foreign-born residents in the United States.

The National Cancer Institute's cooperative network institutions conducting cancer clinical trials is always interested in the treatment, responses and toxicity information contributed by Hawaii's ethnically diverse participants.

The development of a comprehensive cancer center would generate clinical research information on ethnic differences in treatment responses and toxicities that would not be available elsewhere in the Nation and would thus have far-reaching implications both nationally and internationally.

At this time I'd like to share the plight of a patient of mine. JM is a Laotian male of immigrant parents who attended a local high school and after graduation went on to attend a community college here in Honolulu. During his first year of college, JM was diagnosed with colon cancer. After the tumor was removed, he received 6 months of chemotherapy. At the completion of his treatment, he resumed his studies at the community college level. However, 8 months thereafter he developed a recurrence of his cancer. And despite receiving additional chemotherapy, his cancer progressed. Inquiries were made to several centers on the mainland and although JM was eligible for investigational therapy, he was unable to go due to financial and other psychosocial restraints. He received no further therapy. Now I really don't know if JM would have benefited from further investigational therapy, however, it is unfortunate that he did not have the opportunity to be treated.

This case is but one example of many patients not having access to innovative and potentially beneficial treatment. For those who can afford such treatment, most would absorb the cost in time and money to seek out treatment outside of Hawaii.

PREPARED STATEMENT

In closing, as a practicing community oncologist, I fully support any effort to establish and develop an NCI approved comprehensive cancer center in Hawaii as an extension of the Cancer Research Center of Hawaii. As I see it, the potential benefits clearly outweigh any potential risk. But, more importantly, we owe it to our patients who truly believe, and rightly so, that research brings them hope.

Thank you very much for your attention.
[The statement follows:]

PREPARED STATEMENT OF DR. JONATHAN K. CHO

Thank you, very much, for giving me the opportunity to address your committee today.

I am a physician, specializing in the care of cancer patients. For the past twelve years, I have been associated with the Cancer Research Center of Hawaii through its clinical trials program. This association has enabled my patients and I to actively participate in clinical trials. The Cancer Research Center of Hawaii has been the focal point of cancer research in Hawaii for many years. Their commitment to the promotion of clinical studies has given hundreds of patients, over the years, access to new cancer treatments.

I am here today to provide a practicing physician's perspective on having a comprehensive cancer center in Hawaii. I see three major advantages for the establishment and development of such an institution. Unlike many other diseases, optimal care of the cancer patient requires a coordinated effort by many different disciplines. First, having a comprehensive cancer center would provide a setting in which such coordinated, multidisciplinary care would be delivered. Secondly, a comprehensive cancer center would provide cancer patients access to new and innovative cancer treatments. Presently, the majority of "cutting edge" cancer treatments are administered in major academic centers and/or designated cancer centers throughout the country. Patients cared for at these institutions have the opportunity to receive "state of the art" treatment. The presence of a comprehensive cancer center here will make it much easier to attract and conduct such studies in Hawaii and, thus, give our patients similar opportunities. Lastly, a comprehensive cancer center in this community is likely to enhance the knowledge of the medical professional caring for cancer patients. Such an institution would attract notable researchers and academicians. This, in turn, may result in training programs for young physicians and paramedical personnel creating an environment, which nurtures learning and research. Continuing medical education programs would improve, all being focused and, hopefully, resulting in enhancing the medical professional's knowledge base.

Finally and probably most important, Hawaii's unique and diverse ethnic population creates fertile ground for the study of cancer. According to the 2000 U.S. Census, Hawaii leads the nation with 41.6 percent of its 1.2 million people reporting an Asian heritage. This is significant because as a small state, Hawaii has the fourth highest percentage of foreign-born residents in the United States. The National Cancer Institute's cooperative network of institutions conducting cancer clinical trials is always interested in the treatment responses and toxicities information contributed by Hawaii's ethnically diverse participants. The development of a comprehensive cancer center would generate clinical research information on ethnic differences in treatment responses and toxicities that would not be available elsewhere in the nation and would thus have far-reaching implications both nationally and internationally.

Before closing, I would like to share a case of mine with you.

JM is a Laotian male of immigrant parents who attended a local high school and after graduation went on to attend a community college here in Honolulu.

During his first year in college, he was diagnosed with colon cancer. After the tumor was removed, he received six months of chemotherapy. At the completion of his treatment, he resumed his college education, but eight months later developed a recurrence of his cancer. Despite receiving additional chemotherapy, his cancer progressed. Inquiries were made to several cancer centers on the mainland. Although he was eligible for investigational therapy, he was not able to go due to financial restraints. He has received no further therapy.

I don't know if JM would have benefitted from further therapy. However, it is unfortunate that he did not have the opportunity to be treated. This case is but one

example of many patients not having access to innovative and potentially beneficial treatment. For those who can afford such treatment, most will absorb the cost in time and money to seek out treatment outside of Hawaii.

In closing, as a practicing community oncologist, I fully support any effort to establish and develop an NCI approved comprehensive cancer center in Hawaii as an extension of the Cancer Research Center of Hawaii. As I see it, the potential benefits clearly outweigh any potential risk but, more importantly, we owe it to our patients who truly believe, and rightfully so, that research brings them hope.

Thank you very much for your attention.

Senator INOUE. Thank you very much, Dr. Cho.

Dr. Okamoto, what is the nature of your relationship, the Queen's Health Systems relationship, with the Burns Medical School University of Hawaii and the cancer center?

Dr. OKAMOTO. What is Queen's Health Systems relationship with the John A. Burns Medical School and the Cancer Center of Hawaii?

Our relationship has been traditionally a committed one and going forward, also a committed one. We have a very close partnership with the University of Hawaii. We are a significant contributor to its teaching faculty. We have many joint programs in the recruitment of the best and brightest physicians and researchers. For example, together we are able to attract a Dr. Chang, of national reputation, to do research using a three test MRI, which will put Hawaii on the map as one of the few with that kind of technologic capability. We also have contributed a large sum of money to kick start the Department of Native Hawaiian Health, focusing on the health needs and disparity among Native Hawaiians. So, clearly, an active ongoing program and we have great confidence in its leader, Dean Cadman.

In a similar vein, we have had a long-standing relationship with the Cancer Center of Hawaii. As you probably know, the Cancer Center has been on a long-term ground lease on the campus of the Queen's Medical Center for probably no more than a few dollars a year, if even that much.

Our proposals to the cancer center have also been looking at some joint projects that will enable them to build their research capacity in land contiguous with the medical center taking advantage of the built-in clinical capability that we have presently on the campus.

We are big supporters of the importance of research and its application to good clinical care.

Senator INOUE. I assume that all three of you are supportive of the center, this project. Now have you had any working relationship in the planning and design of this new center?

Ms. LANGCOAN. At Hawaii Pacific Health, we have been in active discussions with Dr. Vogel regarding what the center may look like, what it may be comprised of, and most importantly how it will partner with other health care providers in the community.

Senator INOUE. Are you satisfied with the progress?

Ms. LANGCOAN. Thus far, yes.

Senator INOUE. Dr. Okamoto.

Dr. OKAMOTO. We have not been. We have made a decision, Senator Inoue and Senator Akaka, that it is not in the public interest to create duplication of technology, to attract health care knowledge workers that are in extreme shortage in Hawaii, and that

what we ought to do is to try harder, through good leadership and a program, and move away from the concept that the Cancer Center is brick and mortar, but to look at the concept that cancer is about a program that integrates existing providers through perhaps contractual and other business relationships to build on what we already have, and that way take the kind of research that Dr. Cho mentioned directly to the patients in their community as opposed to centralizing all of this at one site.

Senator INOUE. Dr. Cho, am I correct to assume that the medical society in Hawaii is fully supportive of this project?

Dr. CHO. We have the organization, the Society of Clinical Oncologists, that has actually had several discussions with Dr. Vogel. The Cancer Center leadership has been very sensitive to the feelings of the community physicians in terms of the development of a comprehensive cancer center.

Hawaii is just very unique, as you know, in that it's a community-based clinical research organization in that the cancer center has kind of been the driving force. And again throughout—at least on several occasions, we've had discussions with Dr. Vogel in terms of planning and how best to incorporate a partnership between community physicians and the comprehensive cancer center.

Senator INOUE. Thank you.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

Ms. Langcoan, in your statement you mention how unique Hawaii is and the kind of benefits that come about because of Hawaii. And you mentioned that next to Utah, Hawaii offers the most robust concentration of multi-generational families who have lived in the same environmental area over the years.

Can you describe to this committee the significance of conducting genetic cancer research in an area such as Hawaii?

Ms. LANGCOAN. Okay. I'll do my best. I'm not a scientist. But my understanding is that, in looking at some of the genetic links and the triggers that may cause a person's genetic makeup to result in a cancer where other individuals may not be; they may have been exposed to the same environment or same materials and not develop cancer, to understand the triggers you need to understand family histories and have multiple generations of mapping of their genes to understand which gene may be the weak link, so to speak. So you need to have control over as many different factors as possible in the study of participants environment, diet, and other activities.

So families that all live in the same area, generally having the same diet structure, generally being exposed to the same environmental impact, have fewer variables for the researcher to study. And because of our geographic isolation, and the lack of in and out migration, we tend to have that in great numbers here? Many generations sometimes live in the same household not only in the same area. And to couple that with being able to get multiple generations within different ethnic groups, that does not exist anywhere else in the world, including Utah where you will have multiple generations maybe only in a single ethnic group.

Senator AKAKA. Dr. Okamoto, you mentioned about community-based strategy that's in need of working together in communities.

Can you describe the impacts that cancer is having on our communities and what needs to be done to improve access to early detection and treatment to help increase the survival rates for people affected with cancer? And I think you mentioned that the Hawaiians were one of these who didn't have early detection.

Dr. OKAMOTO. Yes, Senator Akaka, I will be glad to. I don't know whether I can address all of the questions you've asked of me, but let me borrow on my direct experience at Queen's with Moloka'i General Hospital. It is a hospital that we own and operate. We assumed—acquired it from the community when its doors were about to close back in the late 1980s. As you know, Moloka'i has a large population of Native Hawaiians, I think more than 60 percent. But, with it, unfortunately, on that island there's a high degree of poverty. So to talk about health disparities and to talk about the at-risk population, I think Moloka'i meets those criteria.

Our strategy on that island is really to emphasize the importance of primary care, to support those efforts that go into primary care, to work with the community on helping them understand the responsibility of families and individuals, employers, even ourselves at Moloka'i General Hospital, to embrace healthy lifestyles and to incorporate in that healthy lifestyle thinking and behavior, the idea that prevention and preventative tests are important. We are not there yet. We have a way to go to develop that infrastructure that really says to the community, and working with the community, that we are actually implementing that philosophy which we embrace.

I think one of the problems that we have seen in Hawaii, not unlike other regions of the country, is that we have become very medicalized and we believe that having a medical establishment in terms of brick and mortar is one way to address any national interest on health. And when we look at the amount of our gross domestic product that goes into health care and our longevity, there is a disconnect because there are many nations around the world who have, I believe, addressed more basic fundamental health concerns that affect longevity and, in doing so, also promote the idea of early cancer detection and care.

Senator AKAKA. Dr. Cho, on accessing clinical trials, there has been difficulty of residents having their access to clinical trials. What is needed to expand access to these trials and the impact that expanding access would have on cancer research?

Dr. CHO. Well, clinical trials have, as you know the background, the backbone of everything we do in cancer therapy and other aspects of cancer. And there are many obstacles to access in clinical trials. There's physician barriers, there's financial barriers, there's geographic barriers. And Hawaii, being small and somewhat isolated, creates a very unique situation in terms of neighbor islands, in terms of how community practice is done, and the lack of a comprehensive cancer center for patients to go to.

So there are a number of barriers in Hawaii. But surprisingly, in terms of on a national level, we do fairly well in terms of accruing to clinical trials, but certainly well below what we should be attaining in terms of clinical—access to clinical trials and studies.

Senator INOUE. Thank you very much. And I'd like to thank all of you. Thank you.

STATEMENT OF HON. ED CASE, U.S. REPRESENTATIVE FROM HAWAII

Senator INOUE. Now it's my pleasure to call upon a very distinguished Member of the Congress of the United States who represents us, the Honorable Ed Case of the U.S. House of Representatives.

Mr. CASE. Senators Inouye and Akaka, it's good to see you here. Good to be home—I think we all feel that way—and spend some time with our mutual constituents. And members of the Senate Appropriations Subcommittee on Labor, HHS, and Education, Chair Specter, and ranking member Harkin and staff, it's good to have you here as well. Good morning and aloha.

I know that I join all of Hawaii, and especially the 600,000 citizens of our United States that I represent in Hawaii's Second Congressional District, in thanking you for coming to Hawaii, for bringing this crucial subcommittee to Hawaii, and for taking the time to see for yourselves what we need and also what we're doing.

I have submitted to the subcommittee some extended testimony. It's too long for me to read. I would ask please that it be inserted into the read.

Senator INOUE. No objection. So ordered.

Mr. CASE. But what I'd like to do here is just highlight some of the high points and try to give you a big picture overview of the jurisdiction of this subcommittee as I believe it impacts my Second District. And let me first of all paint a big picture which both of you know very well, as you have represented my district a lot longer than I have. It's part of your district as well. But perhaps for the subcommittee's edification, I'd like to put my remarks in context so you can understand why Federal assistance is so crucial in this area and why it has to be structured in a way that works in terms of the nature of delivery in the Second Congressional District.

Of course, physically the Second Congressional District is not an urban district. It is a suburban and rural district. It encompasses all of Hawaii, with the exception of urban Honolulu. So most of this island's suburban and rural parts as well as the rest of Hawaii, all the way out to the northwestern Hawaiian islands—although I don't think the subcommittee has too much jurisdiction out there. But it is clearly, in that sense, not unlike other congressional districts in having suburban and rural constituents.

However, there are distinguishing factors that we all need to understand about the Second Congressional District. First of all, a very simple fact. It is an island district, unlike many parts of our country, in fact most parts of our country. And because it is an island district, because its geography creates some specific conditions and challenges, the delivery of services by our Federal Government to my district has to be a little bit different as well.

Let me give you a perfect example of this in terms of how the Congress and the administration, 5,000 miles away, can sometimes have good intentions without actually understanding what we actually need in Hawaii.

We are fighting again the battle over Essential Air Service. This is a provision of Federal law which assists rural isolated communities in ensuring air transportation services, and we, in Hawaii, benefit from that provision of Federal law.

Last year there was an amendment introduced into the Congress which essentially had a good intention. It said that if an Essential Air Service hub was less than, I think, 100 miles from a major transportation hub that essentially either EAS should not apply or it should be subsidized in some way. The idea was a good one. If you're close to a major transportation hub, why are you so isolated? Why are you so rural?

But let's take the example of Moloka'i. Moloka'i, as the crow flies, is a distance of 40 miles from Honolulu International Airport. But, guess what? It's across water, so there's no other way of getting there. So you go to somebody in Kalaupapa, which is an EAS community, and say: Well, sorry, you're out of luck because you're 40 miles from Honolulu International Airport, you can get there some other way: It doesn't work.

That kind of thinking applies throughout the Second Congressional District. Geography dictates how we deliver services in our district.

The second unique quality of the Second Congressional District, which is true throughout Hawaii, but particularly in the Second Congressional District, it's already been made reference to, and that is just our ethnic diversity; one of the highest proportions of Americans of Asian ancestry, the highest number of Native Hawaiians, the highest number of Filipino Americans throughout any congressional district, and that also creates specific needs which have already been well addressed.

Let me address, briefly, a couple of the areas within this committee's jurisdiction and just kind of provide a rapid tour of the universe as it affects my district.

Let me talk about education first. And let me start out by saying, unequivocally, that I believe education is, to my constituents, on balance, the number one priority in our district. And I believe that it should be the number one priority in our district. And the challenges are many and the opportunities are many. I'll just mention a couple very briefly.

First of all, the number one problem in education, in my district, I believe, is Federal mandates which are not fully funded. I'm referring to "No Child Left Behind" and the Individuals and Disability Education Act, both of which are Federal mandates, both of which are Federal laws, good Federal laws. I believe in these Federal laws.

But the problem is that they are not fully funded. So it's of great concern to all of us that the administration again has short funded "No Child Left Behind" by \$10 billion in its current budget. The IDEA share is now only 22 percent of the 40 percent originally promised. This creates problems of funding, but it also creates major problems to our States, because our States still have to comply with the Federal laws and find other ways to do it that take resources away from other parts of education unfairly and from other parts of the funding of State operations.

Also, the flexibility that is needed in the administration of "No Child Left Behind" is something that we have to use to adjust to local circumstances. Superintendent Hamamoto, earlier this year, had to deal with the problem of Kupuna, the great Kupuna program, having to comply with the dictates, or possibly having to

comply with the dictates, of No Child Left Behind, so that you would have these great Kupuna who wanted to teach Native Hawaiian culture and affairs to the students and yet didn't meet the technical qualifications of "No Child Left Behind" because they weren't, quote, unquote, "certified." They were great teachers but they just weren't certified. That's the kind of flexibility that we need with "No Child Left Behind" to make it work.

School facilities is an incredibly important part that has already been made reference to. And I want to particularly mention the 3Rs program that Senator Inouye was so instrumental—and, Senator Akaka, you as well—in starting up and seeing through really to an operational level.

The 3Rs program has been a very successful approach that we have tried to use collectively to provide for a much greater extent of contributions to our backlog in terms of facilities. One of the major successes over the last year, of course, has been the fact that the Native Hawaiian Education Act has been provided, through the Native Hawaiian Education Act, \$1 million of funding for targeting school facilities that have a high population of Native Hawaiians in them. That is a tremendous result, a tremendous advance forward in terms of the 3Rs program that I commend both of you and certainly commit to following through as much as I can.

CHARTER SCHOOLS

Let me mention charter schools because I think anybody who has been in charter schools understands both the needs and the opportunities available for public education in our State. And this is particularly important in those charter schools in the more rural areas and those that service Native Hawaiian populations. You can't help but go into some of the Native Hawaiian charter schools in our State and be absolutely impressed, absolutely awed by how much is done with so little.

Clearly, our Federal Government has a role in assisting charter schools and I'm happy to say that this administration has supported that particular role with a maintenance of good solid funding for our charter schools. We all need to work on this. Charter schools, I think, are where the future public education lies in our State and in our country and we need to help them along.

IMPACT AID

Impact aid, as you well know, Senators, has been a major challenge for us in Hawaii and other parts of our country which have large military facilities, large military presences. The whole idea of impact aid is a good and fair one, which is that as our Federal Government, through its military, utilizes our public schools, it also recognizes an obligation to contribute to the operation of those public schools. We have all spent a lot of time and effort trying to get that level of funding to a fair level of funding. We're getting there.

Unfortunately, in the current budget, there is simply level funding provided, so it doesn't account for inflation, it doesn't account for the possibility of increased activity by our military in our public schools here. So this is something that I think we're all going to have to fight hard for. It certainly impacts the Second District in

a community such as Wahiawa, which have a large military population.

HEALTH CARE

Let me first say that I completely endorse the colleagues who spoke before me in their efforts to support the Cancer Research Center and other types of research in terms of health and needs for Hawaii in the Pacific to lead the way for our country. The Cancer Research Center, although located in the First Congressional District, is a Hawaii issue. It helps all of us in Hawaii. It is a tremendous asset to our State. We all need to support this, regardless of where we live. And I definitely want to add my endorsement of that.

I also very much support the comments, especially by the previous panel, particularly Dr. Okamoto, on local delivery of health services. The centralized large hospital model which is prevalent and even depended upon in many large urban areas of our country, or even suburban areas with access to urban areas, doesn't work in a place like Hawaii, especially given the geography.

In a place like Hawaii where you are—especially in my Second Congressional District—where you are dealing with geographical distance, where you are dealing with isolation, local delivery of health services, at least at a primary care level, is the way to go.

The advances here have been in community health centers and other smaller primary care, preventative care-oriented types of delivery of health care services. The Waianae Coast is a perfect example. We spoke also about Moloka'i. We need to expand our community health center approach. We need to take them into places like West Hawaii, which now wants to develop a community health center, North Oahu and Hau'ula or Laie which want to develop a community health center. That's the way to develop health care as we go forward. And that is another area in which I'm happy to say that the administration has recognized the value in a substantial increase in funding in its current budget for community health centers, and I believe we very much collectively should be supporting that initiative by the Federal administration.

I can't not mention, Senator Inouye and Senator Akaka, your great efforts on drug abuse and especially the discouraging of ice. It is a risk that we all face in letting that slip away from our public consciousness. We've achieved so much in the last couple of years collectively. We got the administration to agree to significantly higher levels of funding.

Senior Inouye, you were instrumental in getting delivery of that to parts of the Second Congressional District, the Big Island. In expanding it, Senator Akaka, you also worked very hard on that and you should be recognized for that.

We can't let this issue die. We have to keep going on this.

So, here again, there is some great concern that the current administration's budget for fiscal year 2005 proposes a 3 percent decrease in Department of Justice funding. That clearly would have an impact on some of the drug abuse programs that have been so instrumental in fighting drug abuse generally, and ice specifically, in Hawaii.

Two other areas. In the area of human services, I have to stop and highlight the great efforts by our community action programs on all of the islands: The Big Island Community Action Program, MEO, Maui Economic Opportunity, and comparable programs on Kaua'i and Oahu. These are nationally recognized programs.

It is important for us all in Hawaii to realize that we are on the cutting edge of community action programs in our entire community. MEO, just last year, was recognized as one of the top four community action programs in the entire national country. The Big Island Economic Opportunity Program, which I believe your subcommittee is visiting tomorrow, was just awarded one of just a few grants for developing overall strategies to get people off of government assistance. This was a grant that was hotly competed for. It came down to just a few of them. Big Island got it. So we obviously have something good going here that doesn't only work in Hawaii. It works for the entire country and we need to support that.

Finally, I do want to endorse comments made earlier and the praise provided to Representative Abercrombie on his jobs fair. It is very important that we recognize that as employment opportunities look up in Hawaii, job training, workforce training is going to be key to keeping those jobs in Hawaii. The construction industry is a particularly important area to do that in.

But I also want to highlight in the Second Congressional District the continuing effort to develop dual use technology, economic development, development that is headquartered around some of our military installations, PMRF on Kaua'i, Kihei on Maui, on the Big Island now in the increased military investment at Pohakaloa. These give us opportunities for dual use technology development in military research, defense communications, astronomy, and all of these areas. We need the same kind of approach in terms of workforce training, workforce development in these areas. So whatever we can do in Congress to provide Federal assistance for workforce training is something that is going to pay off big time in terms of productive jobs being retained in Hawaii.

PREPARED STATEMENT

I've rushed it. I've got a lot to say. I'm sorry about that. The testimony is there. Again, I just simply want to thank both of you, Senators Inouye and Akaka, for caring. You have done such a tremendous job, along with Representative Abercrombie, in the areas under the subcommittee's jurisdiction. But we've got a long laundry list to continue to work on. We're half way along and we've got to keep it going. And I certainly stand ready, willing and able to help you in whatever way I can. Mahalo.

[The statement follows:]

PREPARED STATEMENT OF HON. ED CASE

Chairman Specter, Ranking Member Harkin, Senator Inouye, and Members of the Subcommittee: Aloha! I want first to extend a deep and sincere mahalo to the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies for holding this hearing here in our Hawai'i. Your Subcommittee's support of so many vital programs throughout Hawai'i over the years, your recognition and accommodation of our often unique needs, and your effort to travel so far to learn firsthand the impressive results of the programs you've funded and the many challenges we still face, is greatly appreciated by all of the 1.3 million citizens of the proud Fiftieth State.

Overview.—I represent Hawai'i's Second District, which includes all eight of the major islands of Hawaii, as well as the Northwestern Hawaiian Islands. The only area of Hawai'i I do not represent is urban Honolulu.

The Second District is predominantly suburban and rural, and much of it is also very isolated. In these characteristics, it is not unlike other such districts throughout our country, where federal assistance is often vital to assuring a basic quality of life to residents without access, physically or economically, to opportunities and services available in our country's urban cores.

But Hawaii generally and my Second District specifically is also virtually unique in other ways. First, of course, Hawaii is one of the few regions of our country which is an archipelago, with its residents separated by water. This creates unique challenges requiring unique solutions.

For example, Kaunakakai on the Second District's Island of Moloka'i is only about 40 miles from Honolulu, but the services available in Honolulu are not readily accessible to the people of Moloka'i. Incomes are low on Moloka'i and interisland flights are scarce and expensive. Therefore, Moloka'i residents are extremely dependent on locally available services in health care, education, and job training.

Hawai'i generally and my Second District specifically are also among the most ethnically diverse in our entire country. Minorities make up more than half of our population, including the highest percentage of Asian and Pacific Islander populations in the nation. We have 20 percent of our population comprised of Native Hawaiians, our state's indigenous population. And Hawai'i ranks third of all states for the highest percentage of persons born outside of the United States. Thus, delivery of services by our federal government is most effective when designed with an understanding of language and cultural barriers that might exist. This Subcommittee has shown great sensitivity to this need in the past by funding targeted services to meet the special needs of Native Hawaiians, including the Native Hawaiian Education and Health Care programs.

In this context, I am delighted to learn that Subcommittee staff has already taken the opportunity to visit our schools and health centers, as well as various programs at the University of Hawai'i. I am especially pleased to know that you will be visiting tomorrow my home Island of Hawai'i, where so many of the challenges as well as innovative solutions which offer examples for our entire country are centered.

Priorities.—I would like to take this opportunity to outline what I see as priority areas for Hawai'i generally and my Second District specifically in the areas under your Subcommittee's jurisdiction.

EDUCATION

Education should be, and is, our primary challenge and top priority. This is particularly true throughout the Second District because of the factors described above. Here are some of the primary areas where targeted federal assistance will make a huge difference.

Native Hawaiian education.—Among the most exciting developments in the field of education is the evolution of an emphasis on Native Hawaiian education, which centers on Hawai'i's indigenous population, and the creation of programs uniquely tailored to meet the needs of this community.

At the federal level, the Native Hawaiian Education Act, which currently consolidates six grant programs (Native Hawaiian Family-Based Education Centers; Native Hawaiian Curriculum Development, Teacher Training, and Recruitment; Native Hawaiian Gifted and Talented; Native Hawaiian Higher Education; Native Special Education; and Native Hawaiian Community-Based Education Learning Centers) is one of the most important contributions. I fully support and commend President Bush for requesting full funding at \$33 million for fiscal year 2005, the same level funded in fiscal year 2004. Senator Inouye was instrumental in the Act's establishment and funding all these years. It is notable that we finally have the full support of the Department of Education.

To assist the state in Hawai'i's 3R's projects, the Native Hawaiian Education Act recently authorized \$1 million to be used for construction repairs at public schools with significant numbers of Native Hawaiian children, many of which are located in my district. These funds are badly needed. I understand that out of 72 projects that the state is currently considering as part of its construction projects, 36 are in my district, including Wai'anae Intermediate, Nanakuli Elementary and High School, Blanche Pope Elementary, and Kaunakakai Elementary. Total costs for schools in my district would be \$1,058,893 out of \$2,292,482 statewide.

I would also like to express my support for the University of Hawai'i Law School's efforts in developing a program in Native Hawaiian law. I understand that \$300,000 has been appropriated as seed money. The program's objective is to provide outreach

on Native Hawaiian rights to the community and schools at all levels, to promote the development of Native Hawaiian rights, and to provide an archive of Hawaiian records through digitalization in conjunction with Hamilton Library and other parties.

Charter schools.—As an ardent advocate for Hawaii’s charter schools, I fully support the President’s fiscal year 2005 request for \$219 million for charter schools funding. I was extremely pleased that President Bush’s fiscal year 2005 budget requests \$100 million for much-needed credit enhancements for charter school facilities.

As I travel around my district, from Kanu O Ka ’Aina in Kamuela on the Big Island of Hawai’i to Kula Aupuni Ni’ihau A Kabelelani Aloha in Makaweli on the Island of Kauai, I hear two main concerns from the charter schools: (1) obtaining more assistance for facilities and (2) ensuring federal IDEA and Title I funds are properly dispersed to charters. Clearly construction funding is one of the greater challenges facing our charter schools locally and nationally. It is my hope that we can see increased federal funding for these projects and an extension of Hawaii’s 3R’s program to include charter school construction projects.

I am also very excited about the state’s new and innovative public-private partnerships law, which I cosponsored as a state legislator, that will allow qualified non-profits such as Kamehameha Schools to partner with various charter schools to help more Native Hawaiian children. This new partnership allows conversion charter schools, such as Waimea Middle School, to receive much-needed funding and instructional support from Kamehameha Schools. As you can see, Hawai’i is building on Congressional support for charter schools and continues to seek innovative ways to support the creation and success of these schools.

NCLB/IDEA.—I would also like to take this opportunity to express my strong support for the goals of the No Child Left Behind (NCLB) Act and for the federal commitment to provide 40 percent of the total cost of the Individuals with Disabilities Education Act (IDEA). However, I believe that there has been a severe short-funding of these two critically important laws that creates a terrible burden on states and leaves true education reform out of reach.

I am disappointed that the President’s fiscal year 2005 budget proposes to fund NCLB at \$9.4 billion under authorized levels. Since NCLB was signed into law, it has been underfunded by \$26.5 billion or 21.7 percent. I am also very dismayed that the budget only requests an increase for IDEA of \$1 billion, which does not get the federal government more than halfway to full funding (40 percent) for our special needs children, but still more than \$36 billion short of full funding. While the budget represents a small increase in education funding, I would strongly urge the Subcommittee to substantially increase NCLB and IDEA.

Besides being an unfunded mandate, NCLB and its one-size-fits-all regulations, formulated 5,000 miles away from Hawaii, do not always work in my district. There needs to be more flexibility for rural areas such as Hana, an extremely isolated community on Maui that qualifies for Essential Air Service because of its remoteness. Teacher retention is a big issue for Hana Elementary and High School and all my schools, and NCLB further exacerbates the problem. As you know, under NCLB a teacher who has a degree in only one content area is not considered to be “highly qualified” to teach more than that particular content area. This should not apply to a rural isolated school with a limited amount of teachers that is forced to use one teacher to teach a multitude of subjects.

Impact Aid.—As you travel around Hawaii, you will undoubtedly note our large military population. As military action continues in Afghanistan and Iraq, and with Hawaii a major component of the military’s transformation into a quick response unit, it is now more important than ever to give the necessary support to our military families and to strengthen the Impact Aid program to directly reimburse the state for the loss of traditional revenue sources due to the military presence.

I was dismayed that the President’s budget calls for level funding in fiscal year 2005, which will not account for inflation, and will likely jeopardize services and programs for these families. I would strongly encourage the Subcommittee to support our state and our military families by increasing funds for Impact Aid.

HEALTH

Challenges we face in regard to healthcare are as unique as each of our islands. We share the concerns of other rural areas in our nation in terms of healthcare access, delivery, and quality. However, we must again take into account our geographic isolation, not only from the contiguous United States but also from our neighbor islands to the Island of O’ahu, as well as our multicultural population which deserves culturally sensitive and linguistically appropriate healthcare.

Community health centers.—We all know that community health centers improve the health of our nation by providing comprehensive primary and preventive health care services to underserved populations, regardless of their ability to pay. Our community health centers play an even larger role in our rural communities where options and access are severely limited.

I support President Bush's fiscal year 2005 budget request of \$219 million to help our community health centers extend services to an additional 1.6 million individuals. New health centers in remote communities need our continued support, and I am hopeful that such funds could aid in the establishment of community health centers in areas like West Hawai'i and North O'ahu or further the development of Moloka'i 'Ohana Health Care.

I appreciate that the Senate Appropriations Committee has recognized that federal community health center funds are often not available to small, remote communities in Hawai'i because our population base may not be large enough to meet particular requirements. I agree with the Committee's recommendation that the Health Resources and Services Administration examine its regulations and application procedures to ensure that they are not unduly burdensome and are appropriately flexible to meet the needs of our distinctive communities. I further join the Committee in supporting increased use of telemedicine to maximize resources and collaborative communication.

Minority healthcare.—It has been empirically demonstrated that minority populations across our nation disproportionately lack access to quality healthcare. For example, minority groups are less likely to have health insurance and are less likely to receive appropriate healthcare services. These communities are also significantly underrepresented in our healthcare workforce. I am fully committed to the elimination of racial and ethnic disparities in healthcare access, quality, and in our healthcare workforce, because we all deserve equal treatment when it comes to our health. I believe that the Cancer Research Center of Hawai'i serves as a shining example of how we can nationally strive to better serve our multicultural populations.

I would like to especially commend the Senate Appropriations Members and staff for their efforts on Native Hawaiian health care. I know that fiscal year 2004 saw a welcome increase in funding of \$12 million for the Native Hawaiian Health Care Program. I hope that this level of funding is either maintained or increased for fiscal year 2005. Health education, disease prevention service, and primary care services for Native Hawaiians is a key objective, and Papa Ola Lokahi has done an excellent job in employing a culturally appropriate strategic plan in cooperation with the Native Hawaiian health care systems that serve the Hawaiian community on all of the islands in the state. An important component of the Act is the Native Hawaiian Health Professionals Scholarship Program, which seeks to increase the number of Native Hawaiians in health care professions. I believe that this is consistent with national efforts to increase the number of underrepresented minority populations in health professions.

Drug/ice abuse.—General drug abuse, of course, has plagued many of our communities for decades. We know that the roots of drug abuse lie largely where educational and economic opportunity are lacking and the social and community fabric are torn. Thus, in the big picture and long term, our best efforts to stamp out drug abuse lie in fixing our economy, improving our schools, and strengthening our families and communities.

I commend the work of this Subcommittee in providing assistance for a major rural health concern: fighting our crystal methamphetamine epidemic. We all know that the true solution to the scourge of ice lies in supporting the efforts of our law enforcement officers, preventing drug use through education, and providing local rehabilitation options to treat the disease of addiction. I agree that it is up to our federal government to take the lead on this issue as it is the only entity with the full resources and ability to coordinate this indispensable multi-pronged approach to stamping out drug abuse.

Most encouraging, whole communities are rising up across our state to say: yes, ice is our problem, and we must all be part of the solution. Kahaluu on the Island of O'ahu was the first community to hold "ice breaker" meetings and start sign-waving efforts. My own home island, the Big Island of Hawai'i, will soon be holding its third islandwide "Hugs Not Drugs" sign-waving campaign, which in the past has had the support of over one thousand citizens from twenty-three communities and neighborhoods. I am also happy to report that the Coalition for a Drug-Free Lana'i, the North Hawai'i Drug-Free Coalition Network, and the West Kaua'i Community Coalition are all recipients of grants provided under the Drug-Free Communities Support Program in 2003.

HUMAN SERVICES

My district also has a large population of financially disadvantaged families, all of whom have great needs ranging from job training to transportation to child care. Hawaii's geographic makeup is in and of itself a barrier to seeking employment in other states or other islands.

Community action programs.—However, Hawaii's Community Action Programs are doing a tremendous job servicing the needs of the entire community and are making lives better through job training, Head Start centers, even offering a local bus service. We currently have four extremely successful Community Action Programs; Honolulu Community Action Program (HCAP), Maui Economic Opportunity (MEO), Hawaii County Economic Opportunity Council (HCEOC), and Kaua'i Economic Opportunity (KEO).

MEO was recently awarded the "Award for Excellence in Community Action" by the National Action Partnership. This prestigious award, which is given to the top four Community Action Agencies in the nation, demonstrates MEO's excellence through the many programs that improve Maui's communities and help people change their lives.

HCEOC has also been extremely successful in obtaining funds to meet the community's needs, so much so that it was recently awarded a Department of Labor grant for \$4.2 million to develop new strategies to get people off of government assistance and back to work. There were only a handful of these competitive grants awarded and HCEOC was among this select group.

These Community Action Agencies depend on federal support to meet the growing needs of the communities they serve. I encourage the Subcommittee to fund programs that these agencies rely on at the highest possible level. They do pay off!

Labor: Defense and Information Technology-Related Workforce Training

Many of us have long believed in the potential synergy between our nation's increasing military presence in Hawaii and private sector research and development in defense and related industries. If and as we can realize that synergy, we can ensure development of sustainable industries and quality employment, especially on Islands other than O'ahu.

There are already two examples of this potential coming to fruition. On the Island of Kaua'i, our country's Pacific Missile Range Facility is the largest employer. But now we also see increased development of private industry clustered around and servicing as well as accessing the facilities of PMRF. Similarly, on the Island of Maui, private development centered in Kihei around military-related investment has created a solid base of quality employment for that island's constituency.

In large part to this end, for years our state and local governments have committed resources to nurturing high tech, particularly information technology, development in Hawaii. In response to the aggressive support of our high tech sector, Hawaii now has 19 enterprise zones and a similar number of industrial and technology parks. The islands have produced leading edge research in genetics, energy, astronomy, oceanography, photovoltaic, and climatology.

As with any state, however, we also have an equal number of challenges. Hawaii generates fewer patents than 45 other states, and the level of industry research and development activity trails 41 states. These challenges are particularly burdensome on Hawaii's military and related industries, which depend on a high tech workforce. The military's research facilities include Pearl Harbor, the Maui Space Surveillance System on Haleakala, the Maui High Performance Computing Center in Kihei, and PMRF on Kaua'i—the world's largest instrumented, multidimensional testing and training range.

These military research and testing centers depend upon a vibrant local workforce. The federal government needs to build long-term relationships with our local school and universities, with special attention to community colleges on the Neighbor Islands that are eager to help educate the next generation of local born and bred high tech workers to service defense facilities on their islands.

Without adequate support, the federal government, and the military in particular, will not be able to realize the full potential of their operations in Hawaii, nor the full fruition of the benefits to local communities from fully diversified economies. I thus strongly urge the Subcommittee to support increased funding for local job training and vocation education programs that the President has proposed to cut by \$316 million for fiscal year 2005.

CONCLUSION

Again, for all of us in the Second District and throughout Hawaii, I express to the Subcommittee my deep appreciation for coming to our islands for this hearing

and for the support you have given us over the years. We look forward to working with you to allow Hawai'i to show the way for our entire country in the vital matters within your purview.

Mahalo, and aloha!

Senator INOUE. Thank you very much, Congressman. I can assure you that your full text will be made part of the record and I will be studying and reading that.

I must commend you for your statement. It was a comprehensive one. And when I closed my eyes, I thought I was listening to a presidential candidate.

Mr. CASE. Senator Inouye, my ambitions are very direct this year. They lie in a different sphere.

Senator INOUE. I congratulate you on your statement.

Mr. CASE. Thank you.

Senator INOUE. Thank you very much.

Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

I want to say aloha to our brother Case. Thank you so much for your comprehensive statement.

Mr. CASE. Thank you, Senators.

Senator INOUE. Thank you.

Now may I call upon the superintendent of the State of Hawaii Department of Education, Ms. Patricia Hamamoto, the chairperson of the Hawaii 3R's program, Mr. Bruce Coppa, and the principal of Kaimuki High School, Mr. Dennis Manalili.

STATEMENT OF PATRICIA HAMAMOTO, SUPERINTENDENT, STATE OF HAWAII DEPARTMENT OF EDUCATION

Senator INOUE. I first call upon the superintendent, Ms. Hamamoto. Before I do, congratulations on your historic achievement in addressing the joint session.

Ms. HAMAMOTO. Thank you.

Senator INOUE. Very few of us have had that privilege.

Ms. HAMAMOTO. It was an honor. Thank you.

Good morning, Senator Inouye and Senator Akaka, and distinguished guests. Let me begin by first saying mahalo and we appreciate this opportunity to testify in front of you in living color. It makes a difference being able to do it here in Hawaii as opposed to traveling such a far distance to be able to convey to you many concerns we have as well as to express our appreciation in all that you've done to ensure that Hawaii is taken care of.

This morning my part will be to talk about the 3R's, and specific to the 3R's will be the authorization of the \$1 million that now extend to the Native Hawaiian Act to allow those schools that have a high impact of Hawaiian children to have a facility that we can ensure that we can maximize our educational opportunities.

As you know, the Department of Education is very appreciative of the Federal grant given to the Hawaii 3R's to repair the military dependent impacted schools. And as it began, and we all know the history very well, what began as a way to provide the extra support for the military impacted schools has provided, for the Department of Education, and vis-a-vis the State of Hawaii, the flexibility to use resources to help other schools in many other areas.

As time progresses—and I won't go into the details of the 3R's program because Mr. Coppa is much more articulate and much

more versed and has quite a lot of expertise and experience, and I think he does a better job of explaining the program than I could ever do. But for us in the school part, for the department, it has allowed us that flexibility to reallocate much of our resources to help other schools. It means that we continue to put our fair share in helping the military schools to achieve that level of safety, of the well being for their child, and to ensure that our children, as well as our faculty and our parents, are provided with that kind of learning environment that will support teaching and learning. It also allows us then to provide for our other schools that are not heavily impacted by the military presence a sense of flexibility that we will have those resources to take care of the immediate needs.

I think when 3R's started, while we understand that it deals very heavily and relies on volunteers, it's a partnership between the local school, community, the people who work at the school, the parents, and most importantly the significant part comes from the private or the nonprofit; in this case it may be labor unions who provide the expertise and the skills, as well as the community and the businesses, and in most instances, the military which provides not only the sweat equity but also the resources.

Perhaps—and I don't want to—I refer to it as an unanticipated positive outcome but what it has done is it has solidified and strengthened the partnerships with the military organization and the Armed Forces. It has created that connection between the military who do a lot of traveling with the home community and it has provided the roots. For our children and for the citizens of Hawaii, it has given us a much broader and inclusive as well as a very diverse view to share with the partners that come in from out of State. And for us, in a global society, the ability and the opportunity to interact, to engage in the many diverse cultures that come to Hawaii make for us a much richer and more robust experience. I think it adds value to what we talk about when we talk about the aloha spirit and how Hawaii is very unique and what it can do and what it has done. And that was also referred to earlier by our previous panelists.

With that, we also understand that with the strong support from the military, we have been able to increase the actual benefits to the school approximately two and one half times the actual monetary grant. And, as you know, this comes in the way of the sweat equity, it comes in by donations and contributions from the community and the labor unions as well as from private businesses. One can of paint goes a long way and one can of paint that is donated makes for another can of paint that we can use somewhere else.

The exterior painting project, for instance, at Pearl Harbor Kai, and, Senator, you were there. I think it was about a year and a half ago. We were both there at that time. The renovation of the Quonset hut auditorium project at Hickam Elementary and the exterior painting project at Pope Elementary. These are just a few of the many, many, many, many examples of the benefits provided by Hawaii 3R's and its volunteers.

The Hawaii 3R's program enlisted over 250 volunteers to do the work at that one time in Pearl Harbor Kai. And, as we now know, with the extension or the authorization of the \$1 million via the Native Hawaiian Act, we now have approximately—of our 250

DOE schools, we have over 120 schools that we have identified with a native population of more than 25 percent that will benefit by what we are now being able to use.

So as we move down the road into the future, we see the 3R's program of not having minimum benefit but continue to be able to benefit Hawaii and to sustain that kind of ownership that the parents, the community and the partners have in the school. It primarily is, as you said on that occasion at Pearl Harbor Kai—and I don't have the exact quote, but as I remember you remarked that the foundation of American democracy was a sense of citizenship and volunteerism that makes America as strong as it is. And I believe the 3R's program is the example, is exemplary, in actually living what citizenship and volunteerism is in Hawaii.

PREPARED STATEMENT

With that, I would like to close my portion and turn it over to Mr. Coppa who can elaborate more on the 3R's program. Thank you.

[The statement follows:]

PREPARED STATEMENT OF PATRICIA HAMAMOTO

PURPOSE OF HEARING

To discuss the expansion of the Cancer Center of Hawaii; increasing Hawaii's trades program to meet the demand brought about by the privatization of military family housing; and the 3Rs program's recent authority to utilize Native Hawaiian education funds to repair those public schools with significant numbers of Hawaiians.

DEPARTMENT'S POSITION

The Department of Education (DOE) is very appreciative of the federal grant given to Hawaii 3Rs to repair the military dependent impacted schools. Hawaii 3Rs has made this into a valuable and productive program.

Hawaii 3Rs actively solicited and got the strong support of the business and public communities for this program. With its strong support and the support from the military, they have been able to increase the actual benefits to the schools approximately by two-and-one-half times the actual monetary grant.

The exterior painting project at Pearl Harbor Kai Elementary, the renovation of the quonset hut (auditorium) project at Hickam Elementary, and the exterior painting project at Pope Elementary exemplify the benefits provided by Hawaii 3Rs and the volunteers. Hawaii 3Rs enlisted 250 volunteers to do the work at Pearl Harbor Kai. The \$1 million grant from the Native Hawaiian Education Act will enable Hawaii 3Rs to extend their impact to other schools. Based on their past successes, DOE is looking forward to working with Hawaii 3Rs to leverage this grant and improve our schools further.

Senator INOUE. Thank you very much, Ms. Hamamoto.

STATEMENT OF BRUCE A. COPPA, CHAIR, HAWAII 3R's PROGRAM

Senator INOUE. May I now call upon 3R Coppa.

Mr. COPPA. Good morning. Aloha, Senator Inouye and Senator Akaka. Thank you so much for coming to Hawaii and having this hearing. I'm the executive director of Pacific Resource Partnership. Today I'm here as Chair of the 3R's program.

You know, we also, at Pacific Resource Partnership, along with the Hawaii Business Round Table, do a poll on a quarterly basis. And in the summer of 2003, the poll indicated clearly that education was the top of the line for the citizens of Hawaii.

But, more importantly, the number one issue that people were concerned about was our facilities, the repairing and the rebuilding of our school facilities, the number one issue. And the second issue was our textbooks. So I think it's so appropriate that we would be in a library today and also one of our projects for 3R's.

My final comment, just before I get started, you know, I was sitting in the chair and I was looking up at that schedule up there and it reminded me, as a student in public school, that from eight o'clock to two o'clock when you're in public school it seemed like a lifetime before the day would end. What I wouldn't do today to have a two o'clock day end of the work day.

Anyway, let me just say that it was about 4 years ago the State legislature and the Governor and the Department of Accounting and General Services was struggling with a mounting problem in our schools. It was related to repairs and maintenance. We had \$640 million of backlog in repairs. That's not including what we were looking at in terms of new schools.

It was at that time that, Senator Inouye, through your leadership, we've come up with the program the 3R's. And, really, it's a simple concept. We take sweat equity, we take the community, as Superintendent Hamamoto pointed out, and we capitalize it. We match some money to it. And what we're able to do is get almost three times the match for each dollar that's donated.

Let me share with you some of the projects and some of the dollars that are being put forward. Since 2001, Hawaii 3R's was awarded over \$2.3 million for 72 projects statewide, completing \$5.7 million worth of projects. So, clearly, you can see the dollar matched with the sweat equity and the donations from the community, whether it's from the churches or from the military, clearly, we're able to maximize our capacity.

Hawaii 3R's has awarded eight grants to Maui schools, four to Kaua'i schools, six to Hawaii schools, and two to Moloka'i schools. Oahu schools have received 52 grants. Over 1,000 community members and organizations have participated in the Hawaii 3R's projects and continue to contribute to ongoing school projects.

Let me just say at this time, the military, even through this time of crisis in the world where they're having to be deployed from Hawaii, they continually come up to the plate and maximize their ability to help with the school repairs and maintenance. Every project we go on you see somebody from the military, whether it's at Pope or at Pearl Harbor, they're there supporting us. It's amazing to see these young guys and girls or women picking up these wheelbarrows of concrete and moving it around. It's really a sight to see.

The State of Hawaii, last year, gave \$148,000 to Hawaii 3R's program with the help of the State legislature, who has been very supportive of our program and again maximizing the dollar.

From the Federal side, the military has contributed over \$600,000 in 2002 and \$1 million in 2003 and has pledged another million in 2004. So, clearly people, are getting on board. We're now going after the private funds because they also see the ability to capitalize on their dollar.

Senator Inouye, I can't thank you enough for that million dollars that's coming to the Native Hawaiians and where schools of 25 per-

cent or more we're going to be able to expand this program. This continuing effort where everyone is working together, as the superintendent pointed out, we're clearly able to maximize our dollar and put our sweat equity where it really goes.

PREPARED STATEMENT

The construction industry has benefited from all of the structures we have built here on Hawaii. It's our time to try to give back, and if we can do that through sweat equity and volunteerism we'll be there. And, again, thank you for your leadership, Senator Inouye, Senator Akaka, and members of the subcommittee.

[The statement follows:]

PREPARED STATEMENT OF BRUCE A. COPPA

Good Morning Mr. Chairman: My name is Bruce A. Coppa and serve as the Chair of Hawaii 3R's, an organization that serves public schools throughout Hawaii by funding repair and maintenance of their facilities. I am also the Managing Director of the Pacific Resource Partnership and have been in the construction industry for over 30 years.

I am here today to first of all thank you for your leadership, vision and support of this program. I vividly recall how in 2001 we all came together to create Hawaii 3R's to tackle the estimated \$640 million repair and maintenance backlog that faced Hawaii's public schools. Because of your support through the Joint Venture Education Forum (Department of Defense), and State and private funding, Hawaii 3R's has awarded over \$2.3 million for 72 projects statewide—completing \$5.7 million worth of projects since August 2001.

Hawaii 3R's has awarded eight grants to Maui schools, four to Kauai schools, 6 to Hawaii schools, two to Molokai schools, and 52 grants to Oahu schools. More than giving out grants, Hawaii 3R's has been able to bring together over 1,000 community members and organizations to complete these necessary repairs to their neighborhood schools.

What makes this program unique is its successful partnership with almost every educational stakeholder, from parents to businesses and especially the State. Hawaii 3R's works because everyone is working together to accomplish the same goal of providing better learning environments for our children.

I would like to highlight the State's involvement. We not only have the full support of the State Department of Education, but we also have the help of a full-time Department of Accounting and General Services' Coordinator. His specific duties and tasks are to make sure that Hawaii 3R's and the State are working in the most effective and efficient way possible.

In summary, we have done a lot of work in the last few years, but we still have a lot to do. The impact of the federal dollars has been felt statewide and will continue to help the schools that need it most.

I would like to thank you for the newly passed legislation through the Native Hawaiian Education Act. The \$1 million shall be used for the renovation and maintenance of schools with a 25 percent or more Native Hawaiian students. There are 122 schools that have the potential to receive grants from Hawaii 3R's.

Again, I would like to thank you for your unyielding support of public schools through Hawaii 3R's. With your help, we can continue to make a difference in the lives of our young people and give them the learning environments that they deserve.

Together we can Repair, Remodel, and Restore Hawaii's public schools. Thank you.

Senator INOUE. Thank you very much, Mr. Coppa.

STATEMENT OF DENNIS MANALILI, PRINCIPAL, KAIMUKI HIGH SCHOOL

Senator INOUE. Now may I call upon the principal of this school. And before I do, I thank you very much for the use of your facility. Mr. Manalili.

Mr. MANALILI. Senator Inouye, Senator Akaka, members of the subcommittee. I appreciate the opportunity to testify before you

today in support of the Hawaii 3R's program. I am Dennis Manalili, principal of Kaimuki High School. We're honored and proud that our school was selected for this hearing. On behalf of students, faculty and community, thank you for giving us this opportunity.

Kaimuki High School was built over 50 years ago. Like many 50 year old buildings, there is a need to repair, remodel and restore our school to meet present standards. Our students need to learn in a facility that is on a level playing field as newer facilities or facilities that have been constantly maintained and improved.

In September 2003, we had a backlog of over 100 projects. Although this number is extremely high, there has been significant progress in the past few years. To help deal with the shortage of State funds, there have been several initiatives to reduce this backlog. One of them is the State accounting—Department of State Accounting, DAGS, to renovate the classroom, the other is the Hawaii 3R's program.

I have learned that money saved is like money earned. According to the 3R annual report, projects completed through Hawaii 3R's saved the State \$2.5 million. Money saved from these projects could be used to provide quality facilities for quality instructors to run quality programs.

For example, at Kaimuki High School, we have one librarian and two science teachers who are nationally board certified. To provide our librarian and science teachers with quality facilities, about \$1 million has been appropriated to prevent water leaks by replacing and relocating the air conditioners on the roof and to establish a science learning center. The millions that are saved from Hawaii 3R's could be applied to other schools.

This morning, members of the appropriations committee visited projects that were coordinated by Hawaii 3R's. These projects included the painting of the school cafeteria, the swimming pool utility room, and the music building in 2003, and the painting of the ROTC/ESLL building, and nearby portable classrooms in 2002. If not for Hawaii 3R's in which there is approximately a 3:1 sweat to dollar ratio, only one third of the projects would have been possible.

According to research conducted by Edmonds and Lezotte, effective schools are relatively safer, relatively cleaner, relatively more orderly, relatively quieter, and so on. The differences between effective and ineffective schools were relative: The incidence of broken windows does not discriminate but the time it takes to fix the window does. It is clear that broken windows do not cause either elevated or depressed achievement. The relevance of the window is that it's a stand-in for adult attention to environment. A broken window that goes on for a long time without being repaired gives a message to everybody that the people who are responsible for the place don't care very much about it.

Well, last year nearly 100 volunteers for our Hawaii 3R's project showed that they care and many of them continue to support our school. For example, as you enter the library, to the right was a display case. That display case was built with sweat equity and funds from the Kaimuki High School alumni and the Kaimuki High School Foundation and what they have there are priceless works

of Stuart Mederios who started school here when it was built about 50 years ago.

When I think of the Hawaii 3R programs, I think of a television commercial. Cost of refreshments: \$50. Cost of bentos for lunch, provided by Representative Nishimoto: \$500. Cost of paint and other supplies, maybe \$5,000. But the cost of life-long supportive partnerships within the school, with our school superintendents, with our legislatures, with our governors, and with our national delegation, partnership that actively support public education in achieving its vision: Priceless.

PREPARED STATEMENT

Mr. Chairman, members of the subcommittee, on behalf of Kaimuki High School and other schools and communities, thank you for your priceless support to achieve our dream of making Hawaii's public schools something that we can be proud of. Thank you.

[The statement follows:]

PREPARED STATEMENT OF DENNIS MANALILI

Senator Inouye, Senator Akaka and Members of the Subcommittee, I appreciate the opportunity to testify before you today in support of the 3R's program's recent authority to utilize Native Hawaiian education funds to repair those public schools with significant numbers of Hawaiian children. I am Dennis Manalili, principal of Kaimuki High School. We are honored and proud that our school was selected for this hearing. On behalf of the students, faculty, staff and community, thank you for giving us this opportunity.

Since becoming principal of Kaimuki High School last January, I learned that the school's population was ethnically diverse. About 70 percent are Asian or Pacific Islanders, and in this group is the Hawaiian/Part Hawaiian population, which is about 18 percent, or nearly 250 students. I also learned that this school was built over fifty years ago. Like many fifty year-old buildings, there is a need to repair, remodel and restore our school to meet present standards. Our students need to learn in a facility that is on a level playing field as newer facilities, or facilities that have been constantly maintained and improved.

In September 2003, we had a backlog of over one hundred projects. Although this number is extremely high, there has been significant progress over the past few years. To help deal with the shortage of State funds, there has been several initiatives to reduce this backlog. One of them is using State Department of Accounting Personnel (DAGS) to renovate classrooms. The other is the Hawaii 3R's Program.

I have learned that money saved is like money earned. After the first year, the projects completed through Hawaii 3Rs saved the state about 2.5 million dollars. Moneys saved from these projects could be used to provide quality facilities for quality instructors to run quality programs. For example, at Kaimuki High School, we have one librarian and two science teachers who are nationally certified. To provide our librarian and our science teachers with quality facilities, about one million dollars has been appropriated to prevent water leaks by replacing the air conditioners on the roof and to establish a science learning center.

This morning, members of the Appropriations Committee visited projects that were coordinated by Hawaii 3R's. These projects included the painting of the school cafeteria, the swimming pool utility room and the music building in 2003, and the painting of the ROTC/ESLL building and nearby portable classrooms in 2002. If it was not for Hawaii 3Rs, in which there is a 3:1 "sweat to dollar" ratio, only one third on the projects would have been possible.

According to research conducted by Edmonds and Lezotte, effective schools are relatively safer, relatively cleaner, relatively more orderly, relatively quieter and so on. The differences between effective and ineffective schools were "relative": the incidence of broken windows doesn't discriminate, but the time it takes to fix the windows does. It's clear that the broken windows don't cause either elevated or depressed achievement: the relevance of the window is that it's a stand in for adult attention to environment. A broken window that goes on for a long time without being repaired gives a message to everybody that people who are responsible for the

place don't care very much about it. Well, last year, nearly one hundred volunteers for our Hawaii 3Rs project showed that they cared, and many of them continue to support our school.

When I think of the Hawaii 3Rs program, I think of a television commercial. Cost of refreshments: \$50.00. Cost of bentos for lunch: \$500.00. Cost of paint and other supplies: \$5,000.00. Cost of lifelong supportive partnerships that actively support public education in achieving its vision: priceless.

Mr. Chairman, Members of the Subcommittee, honored guests: On behalf of Kaimuki High School and other schools and communities, thank you for your priceless support to achieve our dream of making Hawaii's public schools something we can all be proud of.

Senator INOUE. After that, why should I ask any questions.

Well, I want to thank the panel very much for what you're doing for us.

Mr. Coppa, as you pointed out, our prime concern, our first priority, are the children of Hawaii. And what you're doing is helping to bring this about.

Mr. COPPA. Thank you, Senator, and thank you for your——

Senator INOUE. And thank you, Ms. Hamamoto. Thank you very much.

Senator AKAKA. Thank you very much, Mr. Chairman.

I, too, want to congratulate all of you for what you are doing, and I'll be working together with Hawaii 3R's and our public school system and want to wish you all well.

Mr. COPPA. Thank you, Senator.

Mr. MANALILI. Thank you.

Senator INOUE. Thank you very much.

With that, I'd like to call a 5 minute recess. In 5 minutes, we'll have the gavel.

STATEMENT OF NEIL ABERCROMBIE, U.S. REPRESENTATIVE FROM HAWAII

Senator INOUE. And now it's my great pleasure to call upon a very energetic, very powerful colleague, Congressman Neil Abercrombie.

Mr. ABERCROMBIE. Thank you very much, Mr. Chairman. Mr. Chairman, with your kind permission I would like to submit formal testimony and then speak a bit more informally at this time.

Senator INOUE. Your full statement will be made part of the record.

Mr. ABERCROMBIE. Thank you very much, indeed, Mr. Chairman.

Mr. Chairman, thank you for the opportunity to testify before the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies. I'm here today to present information on workforce development and training from my perspective as the Honorary Chairman of the Hawaii Jobs Summit. I'm proud to contribute to the effort to prepare Hawaii's workforce for what is projected to be dramatic economic growth.

Mr. Chairman, the people in this room represent the broad cross section of people who are involved in this economic growth as part of the long-term Federal development strategy for the State of Hawaii, which you, as the Dean of our Delegation, has lead and which Mr. Case, myself, former and now much lamented departed Patsy Mink, and Senator Akaka have played a role.

On September 13, 2003, the Army RCI signing commemorated the increasing Federal investment in Hawaii. A celebration ensued,

and through conversations there with Jim Tollefson, Bennette Evangelista, and Bruce Coppa, the idea of a Jobs Summit was born. The Chamber of Commerce and the Pacific Resource Partnerships shared my desire to act on the community-wide concern that Hawaii's labor pool may not be ready to fulfill the demands of upcoming Federal, State, county, and private construction projects. Another shared concern was the recruitment, training and availability of skilled seafaring labor for Norwegian Cruise Lines new American flagged ships.

Since the new federally based jobs were driving this new demand, I asked the Chamber of Commerce, Pacific Resource Partnership and the Hawaii Institute for Public Affairs, the acronym for which is HIPA, to convene a summit. Which is, in effect, Mr. Chairman, a community audit, a community audit which was deemed an essential first step to accurately assess Hawaii's capabilities to absorb this new work. This audit would include an inventory of public and private sector projects and a projection of current and future labor supply and demand.

A community leadership group from the business, labor, education, training, and government sectors was organized to contribute to the process. Organizations represented on the Jobs Summit Advisory Committee include, but are not limited to—and, Mr. Chairman, I have literally dozens that are involved from Norwegian Cruise Lines through the General Contractors Association, Winners at Work, HGEA, the Hawaii Hotel and Lodging Association, Minority Business Development Center, selected members of the State legislature, et cetera.

Dr. Sang-Hyop Lee, a University of Hawaii labor economist formulated the highly specialized original research on the construction industry's expected demand. For a broader perspective, Dr. Burt Barnow, Associate Director for Research at the Institute for Policy Studies at John Hopkins University, assisted the group by researching the national construction scene and prepared a presentation on policies used by other States to handle new workforce demands generated by large projects.

At the January 20, 2004 Jobs Summit, Dr. Lee and Dr. Barnow presented their research and data to over 175 community stakeholders. I will submit all the Jobs Summit presentations for the record, with your permission, but let me provide a few highlights that have significant indications.

Dr. Lee's combination of historical survey research indicates that over the next 5 years 7,325 new workers will be required in the construction industry alone. Now you understand, parenthetically, Mr. Chairman, that we're concentrating now on the federally dominated construction and maritime jobs creation and related Federal activity. This, of course, then has to blend in and meld with existing private and other public county and State efforts.

Mr. Bob Kritzman of Norwegian Cruise Lines suggested he is seeking 3,000 ship board employees, 2,000 of which will be needed by mid-2004.

The University of Hawaii's Mike Rota used DLIR projections to conclude that we will need more than 21,000 new workers per year to sustain Hawaii's entire economy through 2010.

Bruce Coppa provided Pacific Resource Partnership's public and private construction projects outlook for the fiscal year 2004. They included 16 large private construction projects already under development.

You can see, Mr. Chairman, that this is a perfect storm of opportunity for us and that this is a challenge and a problem that we would have been delighted to try to address sooner but, as a result, I believe, of the efforts of the delegation over the past decade this is now coming to fruition.

The construction projects cited by Mr. Coppa include everything from Coco Palms, which I know we're delighted is being resuscitated after all these years, to Gentry Ewa Makai, Kapolei Senior Project, Crescent Heights, 16 of them just in his estimation.

The Federal projects: Billions of dollars, of course, in military construction, privatization housing projects. \$350,000 million in other DOD projects. Ford Island development, and over \$400,000 million in other Federal projects, for example, the new NOAA building that will be built over the next 5 years. State projects: At least \$100,000 million in the various UH campuses. The Department of Accounting and General Services capital improvement projects are listed at more than \$375,000 million. We expect more than \$300 million in Department of Transportation projects. And, of course, many millions of dollars in supplemental budgets for repairs and maintenance of schools, parks and harbors.

The Jobs Summit program also included expert panels on workforce development and training and the spillover effects in such areas as Hawaii's real estate markets, wages and the social impacts on families and the community. The Jobs Summit break-out sessions gave the participants an opportunity to discuss the challenges that need to be addressed, the opportunities to be seized and what activities and resources were needed to meet Hawaii's workforce demand.

The outcome of this important community input brings me to why I am here before the subcommittee today. There is more work which needs to be done. The Jobs Summit was just the beginning. The conveners of the Hawaii Jobs Summit propose that this effort evolve into a Hawaii jobs initiative with a time frame of 12 to 18 months. Additional research will be undertaken, data will be collected and analyzed, collaborative discussions will continue with appropriate groups, and an action plan will address the areas of shortfall, assignment of responsibility and criteria for evaluation. This is not theory. This is full participation and an action plan, Mr. Chairman.

HIPA has submitted a \$212,000 funding request to the Hawaii State legislature. Initial discussions are taking place with local governments and the private sector to request their continued support. I would like to work with you, Senator Inouye, Senator Akaka, and all the members of the Labor, Health and Human Services, Education, and Related Areas Subcommittee, my good friends there, to work for an appropriate mechanism to provide \$1 million in Federal funding for this effort.

The strategic plan that is under development includes additional research in the following areas: Type of demand by workforce category; current training programs and their ability to expand; cur-

rent and future worker supply; demographic profile of people needing workforce training; project timelines; housing demand, rental and single family; and private construction demand over the next 10 years.

Our problem, Mr. Chairman, is this. There are a great many individuals and groups, most of whom are represented in this room today, who have a great deal of information but it is not necessarily coordinated yet, it is not necessarily put together in the kind of plan that all of us who want to put our intentions forward are going to be able to actually carry forward in a plan that we can operate with. That's what this proposal and initiative is about.

Although Hawaii's geography presents unique challenges, people will continue to seek out information from other States that have experienced large workforce demands. Research and data must be facilitated and gleaned from further collaborative discussions of the spillover effect on housing, family and the community; wages, education and training. The results of the additional discussions would be presented in a second summit in November of 2004—we're not going to string this out. We're going to move expeditiously, with your assistance—where an action plan for legislative and administrative action would be presented.

We think we can cut through the politics on this, Mr. Chairman. We think that we can make sure that this is not seen as a partisan advantage one way or another or an ideological clash, that this would be action plan for legislative and administrative action cooperatively.

PREPARED STATEMENT

In summary, Senator Inouye and Senator Akaka, I share your commitment to supporting the long-term economic vitality of these islands. And through today's hearing, I believe we can focus our work on making sure Hawaii's families share and prosper in the economic growth that lies ahead. Mahalo nui loa for the opportunity to testify before you today.

[The statement follows:]

PREPARED STATEMENT OF HON. NEIL ABERCROMBIE

Mr. Chairman, I am honored to be here today in my role as Representative of the First District of Hawaii, as well as in my position as Honorary Chairman of the Hawaii Jobs Summit. I am proud to have played a part in the conception and direction of the Hawaii Jobs Summit. And, I am equally thrilled to contribute to the effort to prepare Hawaii's workforce for what is projected to be dramatic economic growth.

This projected growth is a part of a long term federal development strategy for the State of Hawaii in which Senator Inouye has played a major part. One of the events commemorating the federal investment in Hawaii was the Army Residential Community Initiative signing ceremony, on September 13, 2003. It was at this ceremony that the idea of a Job Summit was born. Jim Tollefson and Bennette Evangelista of the Chamber of Commerce of Hawaii and Bruce Coppa of Pacific Resource Partnership shared my desire to act on the community-wide concern that Hawaii's labor pool may not be ready to fulfill the demands of upcoming federal, state, county, and private construction projects. Another shared concern was the recruitment, training, and availability of skilled seafaring labor for Norwegian Cruise Lines new American flagged ships.

Since the new federally based jobs were driving this new demand, I asked the Chamber of Commerce, Pacific Resource Partnership and the Hawaii Institute for Public Affairs (HIPA) to convene a summit and prepare the factual information. A community audit was deemed an essential first step to accurately assess Hawaii's capabilities to absorb this new work. This audit would include an inventory of public

and private sector projects and a projection of current and future labor supply and demand.

A community leadership group from the business, labor, education, training, and government sectors was organized to contribute to the process. Organizations represented on the Jobs Summit Advisory Committee include, but are not limited to: Norwegian Cruise Lines, Actus Lend Lease, Fluor/Hunt Development, Hawaii Military Communities, the Building Industry Association, Hawaii Carpenters Union, Hawaii State AFL-CIO, Electrical Workers Local 1186, Laborers' Union Local 368, Building and Construction Trades, Associated Builders and Contractors, General Contractors Association, Swinerton Pacific, Dick Pacific, Hawaiian Dredging, Nanakuli Housing, Central Pacific Bank, Bank of Hawaii, Oahu Workforce Investment Board, the University of Hawaii (UH), Hawaii Department of Business, Economic Development and Tourism (DBEDT), Hawaii Department of Labor and Industrial Relations (DLIR), Winners at Work, Hawaii Business Roundtable, U.S. Small Business Administration, Hawaii Government Employees' Association (HGEA), Job Corps Hawaii, Alu Like, Inc., Hawaii Hotel and Lodging Association, military RCI and PPV project managers, Minority Business Development Center of Honolulu and selected members of the Hawaii State Legislature.

Dr. Sang-Hyop Lee, a labor economist at the University of Hawaii Department of Economics, formulated the highly specialized, original research on the construction industry's expected demand. To give a broader perspective, Dr. Burt Barnow, Associate Director for Research at the Institute for Policy Studies of Johns Hopkins University, assisted the group by researching the national construction scene and preparing a presentation on policies used by other states to handle new workforce demands generated by large projects.

At the January 20, 2004 Jobs Summit, Dr. Lee and Dr. Barnow presented their research and data to over 175 community stakeholders. I will submit all the Jobs Summit presentations for the record but let me provide a few highlights that have significant indications.

- Dr. Lee's combination of historical and survey research indicates that over the next five years, 7,325 new workers will be required in the construction industry alone.
- Bob Kritzman of Norwegian Cruise Lines suggested that he is seeking 3,000 ship board employees; 2,000 are needed by mid-2004.
- The University of Hawaii's Mike Rota used DLIR projections to conclude that we will need more than 21,000 new workers per year to sustain Hawaii's entire economy thru 2010.
- Bruce Coppa provided Pacific Resource Partnership's public and private construction projects outlook for fiscal year 2004. Other than 16 large private construction projects under development; federal projects include the multi-billion dollar military housing projects, Ford Island development, \$350 million in Department of Defense projects, and \$400 million for other federally appropriated projects. State projects amount to \$100 million in improvements to UH system campuses, \$375 million Department of Accounting and General Services construction improvement projects, \$300 million in Department of Transportation improvements, and the Governor's multi-million dollar supplemental budget proposal for repairs and maintenance of schools, parks and harbors.

The program also included expert panels on workforce development and training; and the spill-over effects on Hawaii's real estate market, wages and the social impact on families and the community. Another important component of the Jobs Summit was the break-out session workgroups. Using their professional expertise and the research presented at the summit, these groups discussed challenges that need to be addressed; opportunities to be seized; and what activities and resources were needed to meet Hawaii's workforce demands.

The outcome of this important community input brings me to why I am here before the subcommittee today: There is more work to be done. The Jobs Summit was just the beginning.

The conveners of the Hawaii Jobs Summit propose that this effort evolve into a Hawaii Jobs Initiative with a time frame of 12 to 18 months. During that time, additional research will be undertaken, data will be collected and analyzed, collaborative discussions will continue with appropriate groups and an action plan will address the areas of shortfall, assignment of responsibility and criteria for evaluation.

The Hawaii Institute for Public Affairs has submitted a \$212,000 funding request to the Hawaii State Legislature for this work. Additionally, initial discussions are taking place with local governments and the private sector to request their continued support. I would like to work with Senator Inouye to find the appropriate mechanism to provide \$1 million in federal funding for this effort.

The strategic plan that is under development includes additional research in the following areas:

- Type of demand by workforce category;
- Current training programs and their ability to expand;
- Current and future worker supply;
- Demographic profile of people needing workforce training;
- Project timelines;
- Housing demand (rental and single family); and
- Private construction demand over the next 10 years.

While acknowledging that Hawaii's geography presents unique challenges, HIPA will continue seeking out information from other states that have experienced large workforce demands. Additionally, research and data must be facilitated and gleaned from further collaborative discussions of the spillover effects on housing, the family and the community, wages, education and training. The results of the additional discussions would be presented at a second summit in November 2004 where an action plan for legislative and administrative action would be presented.

In summary, Senator Inouye, I share your commitment to supporting the long term economic vitality of these islands. Through today's hearing, I believe that we can focus our attention on making sure Hawaii's families share and prosper in the economic growth that lies ahead. Mahalo nui loa for the opportunity to testify before you today.

Senator INOUE. I thank you very much, Congressman, and I want to commend you for taking the initiative in convening the summit. I think it means much not just for today but for the future. Listening to you, I can just imagine what may be going through the minds of our colleagues from other States, they're worried about exporting American jobs and here we are, we're training our own here.

Mr. ABERCROMBIE. We're creating jobs. I want to say particularly, Senator, if you'd allow me, and I know that this is something that was a long time in coming and I was pleased to participate from whatever efforts we could make from the House side in the creation of a cruise industry that's creating jobs in the United States, in Hawaii to be sure, but in the United States as well. And I think this is going to be an enormous advantage in terms of economic prosperity and growth, not just for jobs but in terms of diversifying the travel and tourism industry in a way that's going to bring great prosperity to the State. That's why we emphasize that particular aspect in terms of the overall job requirements.

Senator INOUE. This cruise line business, as you know, has had many obstacles, starting off with 9/11 and bankruptcy, the sinking of the ship, but as you know—

Mr. ABERCROMBIE. Yes. Apparently, they have no weather forecasters in Germany.

Senator INOUE. But it's floating now?

Mr. ABERCROMBIE. Yes.

Senator INOUE. But listening to you, I'm impressed that it takes two to tango, and I think that's the secret of Hawaii, that we've been able to work together, the Governor, the congressional delegation, the State legislature and the community, and for just one mission, the improvement of Hawaii. And so I'm pleased to listen to your testimony and I thank you very much for your initiative and leadership.

Mr. ABERCROMBIE. Thank you for your courtesy, Senator.

Senator AKAKA. Thank you very much, Mr. Chairman. I want to hand my accolades to you, my friend, and commend you for what you're doing for Hawaii and also commend you for the significant

aloha spirit that you carry while you're up there in Washington, D.C., and I want to commend you for that.

Mr. ABERCROMBIE. Thank you.

Senator AKAKA. Thank you very much for your testimony.

Mr. ABERCROMBIE. Just may I conclude, Mr. Chairman, by saying that while I'm pleased to be working with the wonderful individuals and groups that I have cited, I can assure you that they are carrying the burden of all of the work effort here, particular mahalos to Jim Tollefson, and Bennette Evangelista, and Bruce Coppa, and Bill Kaneko and the staff work associated with that. I can't begin to tell you what an enormous undertaking it has been and the cooperation of all of the groups listed in making this happen is, believe me, proof positive of your point that we do in fact have the aloha spirit here.

Our diversity in Hawaii defines us, it does not divide us. Maybe that division exists in other parts of the United States and indeed in the rest of the world but here in Hawaii that diversity is our crowning glory of the aloha spirit. Thank you very much.

Senator INOUE. Thank you.

STATEMENT OF LINDA LINGLE, GOVERNOR, STATE OF HAWAII

Senator INOUE. Now it's my great pleasure and privilege and honor to call upon the Governor of Hawaii. But before I do, I'd like to welcome her back to Hawaii and to thank her and commend her for representing us in Iraq and I'm certain all people were very happy to see you, Madam Governor. Welcome back.

Ms. LINGLE. Thank you very much, Senator. And good morning, Senator Akaka, Senator Inouye, Mr. Abercrombie, and the people of Hawaii.

I'm very pleased to be here to participate in this hearing for the U.S. Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education.

After enduring the years of economic stagnation, the State of Hawaii is on the horizon of an exciting period of growth, development and prosperity.

The impending boom in the construction and housing industry brought about as a result of the multi-billion dollar contract with the military has catapulted government, businesses, unions, educators, and the community to forge greater partnerships and collaboration on the development and execution of solid strategic plans to meet the demand this wave of opportunity brings for all of the citizens in Hawaii.

The situation has compelled each sector to reexamine traditional methods of finding and training skilled workers and nurturing a workforce through job training and continued and remedial education to develop skills that will help individuals obtain gainful employment. It has surfaced issues and problems that we have been trying to deal with for many years and is now forcing all of us to think creatively to work together and build a solid platform not only to ensure today or tomorrow's success but also the long-term future of Hawaii. There is no one group or entity that can do this alone. We need to work in partnership in this great new beginning for Hawaii's economic success.

There is a great sense of urgency within the community to move, act, and take whatever steps are necessary to seize this opportunity. We can do this but it will take the effort and commitment of each one of us to build a strong labor and economic foundation for the State of Hawaii, its citizens, our children, and future generations. There are several challenges we face that will take innovative and creative solutions to work through, however, none are insurmountable.

First I want to speak about the availability of workers. A major challenge in projecting needed workforce is the lack of specific numbers of workers to be hired for the upcoming military construction projects.

At a recent meeting between the Department of Labor and Industrial Relations and the training coordinators of construction trades, it was reported that recruitment of a sufficient number of candidates for apprenticeship programs would not pose a major problem in the near future. All trades reported that their recruitment efforts would produce sufficient numbers of qualified candidates. For example, the carpenters reported have 300 workers on the bench right now, although they have scheduled another recruitment for apprentices in April 2004 in anticipation of a hiring increase. This is encouraging information.

However, Hawaii's aging population also has significant ramifications on the State's workforce. The 2000 Census reported that 38 percent of our population is 45 years of age or older. The baby boomers' impending mass retirements will strain the supply of labor in our State while increasing labor demand in the health-medical and social service industries.

Young workers who rapidly advance into mid and upper level positions due to labor shortages will need accelerated training to fill these jobs. Hawaii has traditionally imported workers to meet the State's labor shortages. However, the median cost of housing in Hawaii is almost \$400,000, which places our State at a disadvantage when competing for these workers with our neighboring States. In Nevada, Arizona and California construction is also expected to increase over the next 10 years and housing there is significantly more affordable. This will likely mean that our historical labor stream may be less available to us.

I want to talk about education reform now. Historically, there are 21,000 annual job openings in Hawaii, 12,000 of those jobs, construction included, require education past high school. Yet of the 13,616 public and private students who enrolled in the ninth grade in the fall of 2001, only 64 percent are expected to graduate on time this year. A large portion of this population is expected to pursue post-secondary education or opportunities outside of Hawaii, leaving industries to compete for a smaller pool of new workforce entrants who are capable of basic math and reading at an eighth grade level.

In 2002, the National Center for Public Policy and Higher Education produced a national State-by-State assessment. In this report only 16 percent of Hawaii's eighth graders were proficient in their grade level math and 19 percent in their grade level reading. Most disturbingly, only 8 percent of eighth graders from low income families were found to be proficient in their grade level math.

The experience of the carpenters has been that 40 percent of their applicants failed a written test that is required for all applicants to be accepted into their apprenticeship training program. This 40 percent failed a test because they cannot satisfactorily complete eighth grade math and reading.

To compound the problem, half of those who do pass will fall out of the training program due to failed drug tests or being ill prepared to handle the rigors of the training program.

The very foundation of a strong skilled and successful workforce is education. Hawaii is blessed with students who can learn, teachers who can teach, principals who can lead, and communities that want to support their schools. Even so, the public education system is not performing at an acceptable level. Study after study has concluded that this is not a people problem, it is a structural problem. That is why I have proposed a series of education initiatives to restructure the public school system in Hawaii.

The Department of Labor and Industrial Relations, through its Workforce Development Council and Division, has continuously partnered with the State's construction trades, local Workforce Investment Boards, community colleges, and other public and private agencies to aggressively promote trade and apprenticeship programs and assist with recruitment efforts. These recruitment efforts are conducted by 14 One-Stop Centers for workforce assistance located throughout the State. The One-Stops provide job seekers and employers with access to electronic job matching services, resource facilities, business equipment, Internet access and job and career counseling services. These centers collectively contain the largest data bank of approximately 48,000 job seekers in Hawaii. All centers are gearing up to intensify recruitment efforts and enhance their services and programs.

The State is also participating in numerous job fairs and outreach activities to reach more people in the community and promote the numerous workforce development programs and services that are available. The Workforce Development Division, in partnership with private businesses, other government departments and agencies, and trade industries, produced an annual job fair in Honolulu in January which drew over 3,000 job seekers and included almost 100 employers. Some trades reported they received hundreds of applications for apprenticeship programs. Another job fair is scheduled for May 2004 and is projected to attract even more job seekers due to high school and college graduations occurring at that time.

The Department of Labor, in collaboration with the neighbor island Workforce Investment Boards, community colleges and trades is also launching a pilot program called the Pre-Apprenticeship Program through the Workforce Development Council. The pilot project, funded by the Workforce Investment Act Discretionary Fund, is intended to provide remedial training in math and reading that will significantly increase the success rate of Hawaii applicants for apprenticeship jobs in construction and in other industries facing a lack of skilled workers.

The University of Hawaii's community colleges will design a curriculum and select instructors from programs at community colleges and community schools for adults. The curriculum will be

aligned with the specific entry requirements of the employers and be transportable for use by other entities throughout the State. The pilot will include participating employers, unions and at least 100 people who have been unable to pass the entry apprenticeship test. Local Workforce Investment Boards in each county will collect data to track and monitor each participant's progress and evaluate the success of the pilot. Advertising for first recruitment of this pilot will take place in March. Beginning in May, local Workforce Investment Boards in each county will work with trade organizations to steer applicants to these pre-test refresher or remedial courses.

Another effort being spearheaded by the University of Hawaii, Honolulu Community College, is developing arrangements with the Department of Education for the implementation of a pilot project to be implemented in the summer where high school students can earn credit for vocational training at the college. We fully support this innovative project because it will eventually lead toward a stronger and more consistent vocational technical curriculum across all public high schools. It is also directly in line with President Bush's recent State of the Union address in which he pledged to increase financial support to the community colleges to enable them to better train individuals in industries that are creating the most new jobs.

Better linkages between a secondary school, working world and post-secondary education will be promoted and supported to improve students awareness of construction trades and encourage their selection of the trades as vocational choices. A major outreach event is tentatively planned for late summer or early fall to promote and educate youth, schools and job seekers about apprenticeship programs, with focus on the construction trades.

Federally funded employment and training programs for adults and youth, such as those under the Workforce Investment Act which are administered by our Department of Labor and Industrial Relations will increase their focus on construction trades and look towards equipping their participants for possible entry into these jobs.

The State continues to seek Federal funding to effectively support, facilitate and drive many of these ongoing efforts I have described today.

PREPARED STATEMENT

Thank you for allowing me the opportunity to testify. And I would also like the privilege to introduce the director of our Department of Labor and Industrial Relations, Nelson Befitel, for all of the work that he has done on these initiatives for all of his outreach with both labor unions as well as the business community. And thank you again for this chance to participate.

[The statement follows:]

PREPARED STATEMENT OF LINDA LINGLE

GREETINGS

Good morning Senator Inouye, Congressman Abercrombie and honorable members of the committee. I am pleased to participate in this hearing for the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education.

IMPROVING THE ECONOMY

After enduring years of economic stagnation, the State of Hawaii is on the verge of an exciting period of growth, development and prosperity. There is an impending boom in the construction and housing industry brought about as result of multi-billion dollar contract with the military.

This has catapulted government, private businesses, workers' unions, educators and the community to forge greater partnerships. They're collaborating on development and execution of solid, strategic plans to meet the demands this wave of opportunity brings for all our residents.

This situation compels each sector to re-examine traditional methods of finding and training skilled workers. Involves nurturing a workforce through job training and continued and remedial education to develop skills that will help individuals obtain gainful employment. Brings to the surface issues and problems we have been trying to deal with for many years. Forces us all to think creatively and work together to build a solid platform, not only to ensure today or tomorrow's success but to ensure long-term prosperity.

There is no one group or entity that can do this alone. We need to work in partnership in this great, new beginning for Hawaii's economic success. Great sense of urgency within the community to take whatever steps necessary to seize this opportunity.

We can do this, but it will take the effort and commitment of us all to build a strong labor and economic foundation.

CHALLENGES IN PROJECTING WORKFORCE DEMANDS

There are several challenges that will take innovative and creative solutions to work through. However, none are insurmountable. Lack of specific numbers of workers needed in different trades may result in inaccurate projections for recruitment and training. This increases the possibility that workers who are selected may be unemployed for long periods while waiting for jobs to materialize.

Conversely, there's the equally disturbing prospect of an insufficient number of qualified workers for jobs in demand. Because subcontract specifications for the military construction projects had not been released, projecting workforce needs was a major challenge.

However, at recent meeting between Department of Labor and Industrial Relations and training coordinators of construction trades, it was reported that recruitment of sufficient number of candidates for apprenticeship programs would not pose a major problem in the near future. All trades reported their recruitment efforts will produce sufficient numbers of qualified candidates.

Carpenters reported having 300 workers on the bench right now, although they have scheduled another recruitment for apprentices in April 2004 in anticipation of hiring increase. Should their projections prove inaccurate, more workers will be unemployed until the jobs are created.

EFFECTS OF AGING POPULATION ON WORKFORCE

Hawaii's aging population also has significant ramifications on state workforce. 2000 Census reported that 38 percent of our population is 45 years of age or older.

Baby boomers' impending mass retirements will further strain the supply of labor in this state while increasing labor demand in the health-medical and social service industries. Young workers who rapidly advance into mid- and upper-level positions due to labor shortages will need accelerated training to fill these jobs.

Hawaii has traditionally imported workers to meet labor shortages. However, median cost of housing in Hawaii is \$400,000, which places our state at a disadvantage when competing for imported workers with our neighboring states.

In Nevada, Arizona and California, construction is also expected to increase over the next 10 years and housing there is significantly more affordable. This will likely mean that our historical labor stream may be less available to us.

EDUCATIONAL CHALLENGES

Historically, there are 21,000 annual job openings in Hawaii. Twelve thousand (12,000) of those jobs, construction included, require education past high school.

Yet of the 13,616 public and private students who enrolled in the ninth grade in the fall of 2001, only 64 percent are expected to graduate on time this year.

A large portion of this population is expected to pursue post-secondary education or opportunities outside of Hawaii. This means industries will compete for a smaller pool of new workforce entrants who are capable of basic math and reading at an eighth-grade level.

In 2002, the National Center for Public Policy and Higher Education produced a national state-by-state assessment. In this report, only 16 percent of Hawai'i's eighth graders were proficient in their grade-level math and 19 percent in their grade-level reading.

More disturbingly, only 8 percent of eighth graders from low-income families were found to be proficient in their grade-level math. This education gap creates a problem for construction and other industries, because these eighth graders will enter the workforce in the second and third years of the initial period of the military housing construction projects.

The experience of carpenters has been that 40 percent of applicants fail the written test required for acceptance into the apprentice-training program. They fail the test because they cannot satisfactorily complete eighth-grade math and reading. To compound the problem, half of those who do pass the written test will fall out of the training program because they fail drug tests or are ill-prepared to handle the rigors of the training program.

NEED FOR EDUCATION REFORM

All this points out the need for education reform in our state. The very foundation of a strong, skilled and successful workforce is education.

Hawai'i is blessed with students who can learn, teachers who can teach, principals who can lead, and communities that want to support their schools. Even so, the public education system is not performing at an acceptable level.

Study after study has concluded that this is not a people problem—it is a structural problem. We need to act with a sense of urgency to help our children succeed in the classroom and later in the workplace, in whatever career they choose.

WHAT WE'VE BEEN DOING TO HELP

Department of Labor and Industrial Relations, through its Workforce Development Council and Division, partners with construction trades, local Workforce Investment Boards, community colleges and other public and private agencies.

The department aggressively promotes trade and apprenticeship programs and assists with recruitment efforts. These recruitment efforts are conducted at fourteen (14) One-Stop Centers for Workforce Assistance located throughout the state.

The One-Stops provide jobseekers and employers with access to electronic job matching services, resource facilities, business equipment, Internet access and job and career counseling services.

These centers collectively contain the largest data bank of approximately 48,000 job seekers in Hawai'i. All centers are gearing up to intensify recruitment efforts and enhance services and programs.

My administration has undertaken several initiatives to deal with the "projected" shortage of skilled workers. In many cases, my administration serves as a facilitator to numerous groups and agencies engaged in efforts to help this situation.

State also participating in numerous job fairs and outreach activities to promote numerous workforce development programs and services that are available. Workforce Development Division—in partnership with private businesses, other government departments and agencies, and trade industries—produced an annual job fair in Honolulu in January.

This event drew over 3,000 jobseekers and included almost a hundred employers, and some trades reported receiving hundreds of applications for apprenticeship programs. Another Job Fair is scheduled for May 2004 and is projected to attract even more jobseekers due to high school and college graduations occurring at that time.

PRE-APPRENTICESHIP PILOT PROGRAM

Department of Labor—in collaboration with Neighbor Island Workforce Investment Boards, community colleges and trades—is launching the Pre-Apprenticeship Program.

This pilot program is offered through the Workforce Development Council and funded by the Workforce Investment Act Discretionary Fund. The program is intended to provide remedial training in math and reading that will significantly increase the success rate of Hawai'i applicants for apprenticeship jobs in construction and in other industries facing a lack of skilled workers.

University of Hawai'i's Community Colleges will design the curriculum and select instructors from programs at Community Colleges and Community Schools for Adults. The curriculum will be aligned with the specific entry requirements of employers and can also be used by other entities throughout the state.

This pilot program will include at least 100 people who have been unable to pass entry apprenticeship tests, along with participating employers and unions.

Local Workforce Investment Boards in each county will collect data to monitor each participant's progress and evaluate the program's success. Advertising for the first recruitment of this pilot project will take place in March.

Beginning in May, local Workforce Investment Boards in each county will work with trade organizations to steer applicants to these pre-test refresher or remedial courses.

PILOT PROJECT FOR HIGH SCHOOL STUDENTS

Another effort being spearheaded by the University of Hawai'i, Honolulu Community College, is developing arrangements with the DOE for implementation of a pilot project to be implemented in the summer. High school students will earn credit for vocational training at HCC.

We fully support this innovative project because it will eventually lead to stronger and more consistent vocational technical curriculum across all public high schools. It is also directly in-line with President Bush's recent State of the Union address in which he pledged to increase financial support to community colleges to enable them to better train individuals in industries that are creating the most new jobs.

Better linkages between secondary school, working world and post-secondary education will be promoted and supported to improve students' awareness of construction trades and encourage their selection of the trades as vocational choices.

A major outreach event is tentatively planned for late summer or early fall to promote and educate youth, schools and jobseekers about apprenticeship programs, with focus on the construction trades.

FEDERAL FUNDING

Federally funded employment and training programs for adults and youth, such as those under the Workforce Investment Act administered by the DLIR, will increase their focus on construction trades to equip participants for possibly entry into these jobs.

The State respectfully requests assistance with federal funding to effectively support, facilitate and drive many of these ongoing efforts.

Automation of existing manual processes, functions, data collection and certification identification is critical to ensure rapid response, quality support and service delivery. We also need funding to increase our capabilities to provide Internet-based programs and information to the community. High demands for outreach activities will also require additional funding to fully promote construction trades and educate students, school faculty and jobseekers about these industries.

Thank you for allowing me the opportunity to testify. I will be happy to answer any questions you may have.

Senator INOUE. Governor, I thank you very much for your most thought provoking and challenging statement. It is obvious that there's much to be done, and I'm certain I speak for the congressional delegation that we stand ready to work with you to come up with solutions.

Ms. LINGLE. Well, thank you, Senator Inouye and Senator Akaka, for your continued friendship and support for these efforts. And my bottom line message is: The challenge is a big one, we are up to it, and the State will be successful. Thank you.

Senator INOUE. Thank you very much.

STATEMENT OF DONNA KIM, VICE PRESIDENT, HAWAII STATE SENATE

Senator INOUE. And now it's my privilege to call upon the vice president of the Senate of the State of Hawaii, the Honorable Donna Kim. Senator Kim.

Ms. KIM. Aloha. Senator Inouye, Senator Akaka, members of the Senate Appropriations Subcommittee, on behalf of our Senate President Robert Bunda, I express our senate's gratitude for your efforts to bring more Federal dollars to Hawaii and to assist and train our local construction workforce.

In about 3 minutes our senate president will hit the gavel and our session will be beginning. And so, in that light, I will keep this testimony short and so please allow me to paraphrase.

I don't have to tell you that Hawaii's construction industry is only now recovering from a decade of recession. The number of workers in the industry declined from a high of 35,000 to less than 20,000 by the end of the 1990s. During this time, revenues for public and private sector construction fell from an aggregate of more than \$4 billion a year to half that volume. Our trade unions lost thousands of members to other careers or to better opportunities on the mainland, not to mention retirement.

On a personal note, my father and brother both were carpenters, so I knew all too well how difficult it was during the recession when they were out of work and sitting on the bench.

Today, we have the potential to equal our best years ever as major projects are initiated, including that of the military with the new national defense priorities and the aging conditions of existing buildings and military housing.

The interest rates are low and our people are buying new homes before they are even completed. Our trade unions are aggressively training a new generation of skilled tradesmen and women to give them the ability to meet the market demands, and assistance from you and from Washington will only reenforce this effort. This will also assure contractors that we have a ready, steady, able, and trained workforce.

Military presence is essential to our economy. And in my senatorial district from Kalihi to Aiea, I have a few military installations. Upgrading of the military housing stock in our neighborhood is vital to keeping our military 'ohana in decent housing and not competing with our local residents for rental units during this very tight housing market.

We appreciate you being here. I appreciate the opportunity to testify in front of you. And, again, we thank you for your efforts on behalf of Hawaii and our construction industry.

Senator INOUE. Senator, I thank you for your very generous comments. It's always been a pleasure to work with the legislature.

Ms. KIM. We appreciate that.

Senator INOUE. I think, as the Governor indicated, working together and nothing is impossible.

Ms. KIM. Thank you.

Senator INOUE. Thank you very much.

STATEMENT OF SYLVIA J. LUKE, VICE SPEAKER, HAWAII STATE HOUSE OF REPRESENTATIVES

Senator INOUE. Now may I call upon the Vice Speaker of the Hawaii State House of Representatives, the Honorable Sylvia Luke. It's always good to see you.

Ms. LUKE. Thank you.

Senator INOUE. How are your babies?

Ms. LUKE. One baby. Thank you for your—

Senator INOUE. You're not having another one?

Ms. LUKE. Well, it's a toll with a 1½ year old. You know how it is. But thank you for your concern.

Senator Inouye and Senator Akaka, members and staff of the Senate Appropriations Subcommittee, my name is Sylvia Luke, Representative from the 26th house district and vice-speaker of the Hawaii House of Representatives.

You had a tremendous amount of speakers and they said all great things, and in order to keep my comments short you have my written testimony and I will summarize my testimony, if that's okay.

Senator INOUE. Your full statement will be made part of the record.

Ms. LUKE. Thank you. House Speaker Calvin Say asked me to convey his apologies for not being here. And, you know, I would say that I'm lucky, you know, because he wasn't here I was able to be here and speak to you and I find this a great pleasure to be with you today. And on behalf of the House, we really thank you for holding this hearing in Honolulu and for inviting all of us to share our thoughts with you on labor, health and education issues that confront our State.

We were asked to share with you our perspective on our State's relationship with the military and, in particular, the State's ability to meet the demand for quality and qualified workers to construct military housing. We are grateful for all that the military brings to our State, from emergency assistance programs to the many jobs that simply would not exist were it not for the military's presence in our islands.

As you know, Mr. Chairman, I chaired a committee on war preparedness last session and it was actually during that process that the house members were truly able to appreciate the positive impact the military has on our community. And whether it was through partnership with the Department of Education or the economic impact it would have on deployment, it was the first time that the house members were truly able to appreciate all that the military does in our State, and we again thank you for coming to testify in front of that committee.

Two of the things most important to military families in Hawaii are quality educational programs for their children and reasonably priced housing. In response to these needs, we're currently considering bills that would establish a full time military liaison in the Hawaii State Department of Education and to establish a position for the military on our statewide board of education. We're also considering a bill this session that would streamline regulatory approvals for military construction projects.

In recent years, we've passed legislation to allow the Department of Education to enter into agreements with Federal agencies to construct, repair and renovate schools on military bases. We also passed legislation that defines "State resident" to help local individuals and companies qualify for bid preferences already written into Federal law.

We further authorized \$10 million per year to support the Workforce Investment Act and an additional quarter million dollars per year to fund the Workforce Development Council.

Hawaii's housing and educational issues are critical to all of us, both military and civilian. We've gained from the perspectives of military families and the perspectives they have shared with us

based on their experiences with educational systems around the world. We also know the addition of new and upgraded housing for military personnel will not only create added employment for our residents but new housing for the civilian markets as well.

The leadership of our State house believes a strong bond between the military and civilian communities in Hawaii benefit all of us, and we're committed to supporting those programs and initiatives that will make the bond even stronger in years ahead.

PREPARED STATEMENT

I thank you again for this opportunity and having this—holding this hearing in Honolulu. And I must apologize, we do have session at noon, so I will be leaving early, if that's okay.

[The statement follows:]

PREPARED STATEMENT OF SYLVIA J. LUKE

Senator Inouye, Senator Akaka, members and staff of the Senate Appropriations Subcommittee: My name is Sylvia Luke, Representative from the 26th house district and Vice-Speaker of the Hawaii House of Representatives. House Speaker, Calvin Say, asked me to convey his apologies for not being able to be with you today. He specifically asked that I convey his thanks to you for holding this hearing in Honolulu and for inviting all of us to address you on the labor, health and education issues that confront our state. You have a long agenda today and many fine speakers, so I will keep my comments brief.

We were asked to share with you our perspective on our state's relationship with the military and, in particular, the State's ability to meet the demand for qualified workers to construct military housing. In military circles Hawaii has long been known as a high-cost duty station, but one where military people feel comfortable and welcome. Hawaii is known as a place that cares about the military presence in our community and tries to do what is right for its military residents. In turn, we are grateful for all that the military brings to our state, from emergency assistance programs to the many jobs that simply would not exist were it not for the military's presence in our islands.

Two of the things most important to military families in Hawaii are quality educational programs for their children and reasonably priced housing. In response to these needs, we are currently considering bills that would establish a full-time military liaison in the Hawaii Department of Education and establish a position for the military on our state-wide Board of Education. We are also considering a bill this session that would streamline regulatory approvals for military construction projects.

Educational reform is high on our legislative agenda this year. In the House we are looking at a range of initiatives to address the needs of educators at the school level. We know that the foundation for a bright educational future for our state—and its workforce—rests with what we do in the classroom at individual schools across our state. Educators, parents and students are ready to go if we just untie their hands and give them the tools to prove what they are capable of.

In recent years, we've passed legislation to allow the Department of Education to enter into agreements with federal agencies to construct, repair and renovate schools on military bases. We also passed legislation that defines "state resident" to help local individuals and companies qualify for bid preferences already written into federal law. We've further authorized \$10 million per year to support the Workforce Investment Act and an additional quarter million per year to fund the Workforce Development Council.

You'll be hearing from others today about their actions and ideas to improve the day-to-day relationships between our communities and our military. You, no doubt, will hear of the many programs our trade unions and construction industry have initiated to prepare workers for the growing number of federal construction projects. These include expanded enrollments in apprenticeship training programs, institution of refresher courses and continuing education programs for journey workers, and active recruitment of new members to address estimated manpower requirements.

The Hawaii House of Representatives has and will work with such groups to address needs that require state government involvement. Hawaii's housing and edu-

cation issues are critical to all of us, both military and civilian. We've gained from the perspectives military families have shared with us based on their experiences with educational systems around the world. We also know the addition of new and upgraded housing for military personnel will create not just added employment for our residents, but new housing options in civilian markets as well.

The leadership of our State House believes the strong bond between the military and civilian communities in Hawaii benefits us all, and we are committed to supporting those programs and initiatives that will make the bond even stronger in years ahead.

Mahalo and aloha.

Senator INOUE. I'd like to thank you on behalf of the military, if I may, a senior member of the defense committee. I certainly would be most pleased to learn of your support and your friendship. Thank you very much.

Ms. LUKE. Thank you, Senator Inouye.

Senator AKAKA. Thank you very much for coming. Please convey our aloha to the Speaker and to the House.

Ms. LUKE. I will.

Senator INOUE. Thank you.

Ms. LUKE. Thank you again.

STATEMENT OF DR. CLYDE M. SAKAMOTO, CHANCELLOR, MAUI COMMUNITY COLLEGE

Senator INOUE. Now may I call upon the Chancellor of the Maui Community College, Dr. Clyde Sakamoto, and the Chancellor of Honolulu Community College, Mr. Ramsey Pedersen.

Chancellor Sakamoto.

Dr. SAKAMOTO. Senator Inouye, Senator Akaka, members of the committee, thank you for being here. I am Chancellor of Maui Community College, Clyde Sakamoto, and have the privilege of responding to some of the interests that the Senators and Congress has had in rural economic diversity, economic diversification and workforce development in rural Hawaii.

I'm also representing two other institutions in rural Hawaii, Kaua'i and Hawaii Community Colleges which serve, along with Maui Community College, on Moloka'i and Lana'i as well serving some 6,000 students in the credit programs.

I'm also principal investigator of the Rural Job Training Act and also the Rural Development Programs. And these programs have, with your support, touched over 6,000 lives in rural Hawaii finding a whole range of various kinds of workforce development activities.

I have an extensive testimony that I would request to be read into the record, with your permission.

Senator INOUE. So ordered.

Dr. SAKAMOTO. And would like simply to speak to some of the kinds of issues that we're confronting in economic diversification and development in rural Hawaii. And they are complex, in part, because many of our communities are small communities, as you well know, and ones that are remote and have very few economic development alternatives. And so we are working to leverage what resources exist in terms of assets that these items have on Maui, as an example, assets related to our Maui high performance competing center, the work that's emerging relative to the Department of Defense and its relationship with Haleakala. On Kaua'i, with the Pacific missile firing range and the kinds of developments that are occurring around that particular facility with private contractor's

requiring workforce that are skilled in scientific technological skill sets.

With the smaller islands of Lana'i and Moloka'i, the challenges are even more significant, as you well know. The ability to leverage economic alternatives depends upon the economic cycles, as you're well aware. And we have, on Moloka'i and Lana'i, have had great challenges as we have had in other parts of the State.

The solutions that we've uncovered are ones that are grounded in a concept that relies upon the infrastructure of our rural community colleges working with private/public sectors in the community to create sustainable economic development and diversification solutions.

I can tell you that one of our most recent successes represents a very complex arrangement, to address the oral care requirements in rural Hawaii. The public health director, district director Dr. Pang informed us about 2 years ago that the situation on Maui was such that over a third of Maui and Maui counties in the State's population went unserved in terms of dental care services. We then responded with the help of landowners who had a facility, with the help of a dentist who had recently vacated a facility with fiber opatories to create a dental assistant program that has a 170 client-waiting list in the community. And this has, in turn, leveraged some resources from the Catholic charities with about \$270,000 worth of a dental care van being attributed to the college. And also leveraged contributions from the State's Department of Human Services with \$150,000 grant and training that's resulting in Medicaid reimbursements to sustain the entire effort.

So it's a complex set of partnerships and collaborations that have occurred in partnership with dentist professionals, with the State, with the county, as well as with the Rural Development Project, all of which goes right to the heart of a workforce development.

As you know, with problems in oral care, workers are not able to present themselves effectively before any company or any possibility of employment. And so it goes really to the heart of employment, as does the challenge with drugs.

On the Big Island, we have a partnership with the Hawaii Police Department, and that partnership involves one of acquiring equipment to support the Hawaii Police Department's drug lab. And it is in this regard that we're seeking support in terms of flexibility for the implementation of the resources that are coming to us from the Department of Labor in allowing us the flexibility to suggest that there's certain strategies, such as acquiring drug lab equipment, that go to the heart of the workforce development pipeline that will allow us to address the issue of drug analysis that will allow the Hawaii Police Department to then be able to analyze what the drugs may be so that the criminal justice system is able to function in a fashion to contribute to the rehabilitation of some of the folks who have been arrested and who then require treatment.

Without the drug equipment, we have not been able to correct that situation and would like flexibility from the overseers of the grants that we've received out of the Department of Labor to allow this kind of scenario to emerge. And so we're seeking that assistance.

We're also seeking assistance for several other areas in terms of resources that would allow some of the smaller kinds of initiatives that come from places like Lana'i that involve web site development, as an example, that's been successful and smaller initiatives that are extremely unique to the rural parts of Hawaii, and we would be grateful for that kind of assistance.

We are also, as community colleges in rural Hawaii, supportive of the workforce that goes to the heart of our health programs, our business programs, our needs in the community in terms of criminal justice, and the trades as well. And it's in the trades area that we are working with colleagues in Honolulu to anticipate the kinds of demands that Honolulu is going to experience in terms of workers from Maui in the construction area potentially migrating to Honolulu. And so we are in the process of examining what the dimensions of this migration may be and working with our apprenticeship programs on each of the islands to determine what the requirements will be to address what we foresee will be a work shortage, a workforce shortage, on the neighbor islands in terms of the construction area.

PREPARED STATEMENT

We are prepared with our rural development—the development resources to address some of these requirements and look forward to working with our colleagues in Honolulu, working with Representative Abercrombie and others in the Jobs Summit to collaboratively bring about some workforce kinds of solutions in rural Hawaii as well as in Honolulu.

So, we thank you for the opportunity to testify before you and appreciate all of the support that we've gotten from Congress on our rural development initiatives in the Hawaii Community Colleges. Thank you.

[The statement follows:]

PREPARED STATEMENT OF DR. CLYDE M. SAKAMOTO

Thank you for the opportunity to address the Labor, Health and Human Services and Education Appropriations Subcommittee.

The Rural Development Project was initiated by support from the U.S. Department of Labor's Secretary Pilot and Demonstration funding. This category of resources has permitted Maui Community College (MCC) to explore and examine the development of a labor force in rural Hawaii through strengthening the local higher education infrastructure and its partnerships with the private, public and nonprofit sectors. To leverage these invaluable resources, MCC created partnerships with Hawaii and Kauai Community Colleges in two other rural counties in the state.

Maui (including the islands of Molokai and Lanai), Hawaii, and Kauai counties have, therefore, initiated projects to address the development of a workforce in the rural communities of the state. The range of projects continues to respond to remote communities isolated by major bodies ocean from the economic center of the state in Honolulu on Oahu. More recently, projects have also begun in rural communities on Oahu. The projects require and have benefited from flexibility in developing and supporting rural economic and career options.

RURAL DEVELOPMENT PROJECT/RURAL JOB TRAINING INITIATIVE

Program Summary

The Hawaii Rural Development Project began in 1997 with a grant to assist with the transition of agricultural workers on Lanai into the hotel and resort industry. The discretionary funding for this pilot and demonstration project was released by the Secretary of the U.S. Department of Labor. The project has increased in scope to serve all of rural Hawaii.

The University of Hawaii is the recipient of this grant. Implementation is supported through the University's rural community colleges, which have infrastructure for education and training on each of the islands. This project has components located on the islands of Hawaii, Kauai, Lanai, Maui, Molokai, and Oahu. Advisory committees in collaboration with the respective community colleges from each of the islands help guide the decision making process for the use of these funds.

The core goal of the project is to provide technically up-to-date infrastructure and to develop and implement programs that are designed to help residents of Hawaii's rural communities, the unemployed/underemployed and also the hardest-to-employ welfare recipients acquire skills, work experience and resources necessary to find and keep jobs. Opportunities to train for new and persistent position vacancies will also be considered.

Evaluation of the effectiveness of this pilot and demonstration project will focus on clients identified, employers enlisted, training and education provided, placements made, new business (entrepreneurs) start-ups, resources from other sources that are leveraged, and infrastructure created that will outlast the life of the federal funds for this grant.

Critical workforce shortage areas are being addressed. Programs in progress include nurse training, healthcare worker training, teacher training and preparation, principal/vice principal and DOE administrator recruitment and retention, educational assistant training, dental assistant training, custodian training, dental services for low income and underserved populations, leadership training, small business support, computer literacy, farm management training as well as a variety of community education and workforce development initiatives throughout the state.

Diversification of the economy and training the workforce to accommodate emerging industries are necessary for Hawaii to develop alternatives to the visitor industry as an economic base.

The grant allows for the development of new initiatives to support such diversification. It will also support the continuation of successful existing training services. Demand and shortage areas targeted by the Community College component will include training in the following sectors: Technology, health care, diversified and specialty agriculture, entrepreneurial development, and biotechnology.

A number of programs will focus on very specific needs. Kauai Community College will provide specialized training in network hardware and software, hazardous waste management, electronics, and supervisory and management skills required by the Pacific Missile Range Facility. Specialty training will be provided by Maui Community College for emergency medical personnel serving remote communities that will enhance the level of available service using a combination of telemedicine and conventional healthcare practices. Unexploded Ordnance Certification training has been provided to Hawaii residents to allow for employment and participation in the ordnance removal program on the island of Kahoolawe. Workforce shortages in the community health care sector will be addressed by developing a training program for community worker case managers. Skilled worker shortages in the metal trades will be alleviated by the new machine shop program at Hawaii Community College in Hilo.

NEED FOR DIVERSIFICATION

Clearly there is a need to diversify Hawaii's economy and reduce the dependence on tourism and big agriculture. Over the past decade, there have been successful efforts by the University, state government, and private industry to promote economic diversity and expand into a wide range of areas including diversified agriculture, technology, aquaculture, biotech, medicine, and education.

The Rural Development Project reinforces this effort to diversify and provides a comprehensive program to address workforce training and economic development needs in rural Hawaii. The program utilizes existing University and Community College faculty, programs, labs, equipment and other infrastructure to deliver services identified to increase employment and enhance the economic vitality of rural Hawaii communities.

COMMUNITY COLLEGE AND UNIVERSITY COMPONENT

The Community College component is designed to take a local approach to address workforce and economic development needs on each of Hawaii's Neighbor Islands. Each island has a community advisory committee that works closely with the island project director. This component addresses the following identified needs: Economic diversification, leadership development, small business support and development, diversified agriculture training, computer literacy and specialty training, just-in-time training and workforce shortage skills identification and training, and

teacher and nurse shortage training programs. Additionally, several community colleges are considering moving in the direction of offering bachelor's degrees to support a high tech-based economic diversification fueled by State and County priorities.

OAHU RURAL DEVELOPMENT

Violence, drugs, gangs, vandalism, and other forms of crime are facets of deeper underlying problems within rural Oahu communities. Economics, the breakdown of families, and other community issues contribute to these problems. The Oahu Rural Development Project focuses its efforts on providing leadership development and occupational skills training for low-income and socially disenfranchised youth and adults. This program is community-based, culturally sensitive, and designed to facilitate the reintegration of these youths and adults into mainstream society.

PACIFIC MISSILE RANGE FACILITY TARGETED TRAINING

Information Technology offers some of the greatest opportunities in Hawaii. Without the need for transportation costs, Hawaii is well situated to establish design and software development companies and teams due to the great broadband connections and the high quality workforce (Source: HighTechHawaii). The Pacific Missile Range Facility at Barking Sands on Kauai and its sub-contractors employ over 650 individuals involved in high-tech. There is a need to provide specialty high-tech training to match employer needs on Kauai with locally trained employees. This training will improve retention rates for existing employees and alleviate the need for PMRF and its contractors to recruit from the mainland.

COMMUNITY WORKER CASE MANAGER TRAINING

Community Health Centers and Native Hawaiian Health Care Systems depend heavily on community outreach workers and case managers. Such workers play a large and irreplaceable role in helping medically underserved people overcome cultural, linguistic, bureaucratic and economic barriers to health care. Because they usually understand and come from the community served, they are often more effective than other more expensive health care professionals—such as physicians, nurses, social workers and public health specialists—in educating clients, making effective referrals, ensuring “compliance”, and identifying contingent issues (such as domestic violence or drug use) that affect health. Community workers are also highly cost-effective, with salaries substantially lower than masters—or doctorate—level providers.

Yet most training for community workers is ad hoc and piece meal. Unlike health professions, this complex and challenging work has little in the way of structured curricula or training programs that can help agencies prepare individuals to be community case managers. Considerable case management expertise does reside in the health centers, but mostly through an informal network of mentors and in-service training. The demanding nature of community case management certainly warrants a more systematic and conscious approach to training.

In addition, Hawaii Community Health Centers and Native Hawaiian Health Care Systems anticipate a significant increase in the demand for community case managers over the next few years. Oral health, elderly care, mental health, and chronic disease management are all areas slated for significant expansion, by federal and state governments, and all four areas will require community-based case management to ensure appropriate and cost-effective care.

MAUNA KEA SCIENCE RESERVE SPECIALTY TRAINING

Mauna Kea on the island of Hawaii is home to the most powerful collection of astronomical observatories on the surface of the earth. The summit offers an exceptional platform for astronomy. In the past three decades the Mauna Kea Science Reserve has evolved into the world's premier astronomy complex. Mauna Kea's observatories are known worldwide for their advanced technologies, excellent viewing environment, and the discoveries that have been made with these facilities. The development of this complex has not come without its costs. The roadway that was installed for the testing and construction of the first telescopes has opened the mountain to all. Physical development, foot and vehicular traffic, and the byproducts of man's use of the mountain have all left temporary and permanent impacts on the mountain.

The responsibility of managing an area as broad and as remote as Mauna Kea must take into account the types of people who regularly access its summit. Scientists, technicians and support staff attached to the observatories; visitors (both

local and tourists); hunters, hikers, skiers and other recreational users; Hawaiian cultural practitioners; media crews; and commercial tour operators are some of the primary users of the mountain. There is a need to provide specialty training to field ranger/guides who will be responsible for the safety of users and visitors and see that the policies of the Science Reserve are followed.

The large astronomy community on Mauna Kea requires significant local support services. One of the key support industries is the metal trades/machine shop sector. Custom parts, repairs, and other services supplied by the metal trades are in demand. There are more than 138 businesses involved in the metal trades and machine shop industry on the island of Hawaii. Often, these businesses have to recruit their workforce from the mainland or other islands as there is no formal training program offered on island. Hawaii Community College is now offering formal training in the metal trades and machine shop sector. Offering on-island training in the metal trades/machine shop sector will allow Hawaii island residents to obtain employment in a workforce shortage area.

NURSE AND HEALTH CARE WORKER TRAINING

This program targets current hospital staff, new nursing school graduates, and residents in rural communities. It provides training for individuals in multiple levels of the health care field focused on placing individuals on a career ladder in health care. The programs will lead to job advancement and retention, and to placement of new nurse grads into entry-level positions. This program provides for curriculum development that will be permanently established once created. HHSC has agreed to continue the New Graduate Nurse Training Program after the successful completion of the first pilot program. The preceptor training will leave qualified preceptors in place to allow continued training and mentoring beyond the life of this grant.

Since its inception, 334 nurses and health care workers have participated in Hawaii Health Systems Corporation Nurse and Health Care Worker Training Programs (HHSC) including Nurse Aid and New Nurse Trainee Programs, Preceptorships, Specialty Nursing Programs and a pilot project designed to assist employees who hold nursing degrees from foreign universities to become licensed Registered Nurses in Hawaii. By supporting our public hospitals, health care facilities and their invaluable employees, all residents of the State of Hawaii benefit from better health care and enhanced services.

RURAL TEACHER, PRINCIPAL/ADMINISTRATOR, AND EDUCATIONAL ASSISTANT SHORTAGE

In order to increase the number and retention of certified teachers, the state will need to strengthen its current system of support for teacher candidates during their student teaching, broaden their recruiting efforts, formalize preparation programs for the difficult qualifying exams, and develop training for supporting entities such as principals and educational assistants. The Department of Labor and Senator Inouye recognize these areas of need for our public school education at the state level and are allocating a portion of the funds requested in this grant for the development of programs for teacher preparation, principal training, and training for educational assistants.

The Rural Teacher Training program will address the teacher shortages in the state, by continuing the support for University of Hawaii College of Education (COE) providing assistance to the most rural communities, seeking both to develop and to retain local teachers. The grant will fund distance education infrastructure and curriculum development, more support for recruitment of local future educators and preparation for PRAXIS testing.

The State of Hawaii Department of Education (DOE) employs approximately 4,000 Educational Assistants (EAs). The Federal "No Child Left Behind" (NCLB) act mandates that all EAs have at least an AA or AS degree or a minimum of 48 credits of college level course work completed by February, 2006. These funds will be used to assist the DOE in their efforts to address this workforce need.

SCHOOL MAINTENANCE WORKFORCE SKILLS SHORTAGE

Currently, many of the public school facilities have fallen into disrepair. Additional support to the school systems is needed in area of maintenance and repair. At this point, custodial workers in the system are qualified only to do light maintenance and repair work and often do not have the certification required to deal with the more problematic carpentry, plumbing, and electrical jobs that occur. Rather than continue to have schools contract out for this work, often at a prohibitively high cost to the school, the skills of custodians can be upgraded through credential programs in carpentry, plumbing, electrical, and painting. The training will result

in: decreased maintenance costs, increased efficiency of facilities management, and enhanced employability for the trained custodians.

CUSTODIAN SKILLS TRAINING

This program will upgrade the skills of custodians currently working in Hawaii's Public Schools so that they may enhance their employability credentials with both the school district and with the construction industry. The training provided will also facilitate the completion of a substantial backlog of repairs and maintenance required at facilities throughout the statewide school system. This specialized training program will be coordinated with the trade unions, the community colleges, and the Department of Education and will focus on carpentry, electrical, plumbing, and painting.

FIRE FIGHTER AND EMERGENCY/FIRST RESPONSE TRAINING

This program will provide both higher-level skills training for incumbent and entry level training for rural community residents. The program will work with the Hawaii State Fire Council to implement a Fire Fighter Specialty Training program for incumbent firefighters in the state of Hawaii, saving the departments the cost of sending their personnel to the mainland for this specialized training. A Wild Fire Training component will provide entry level training to rural community residents for fighting land wild fires both in Hawaii, and on the mainland during fire season. In addition to these skills, residents will have the opportunity to receive entry level emergency/first response training that will prepare participants in basic fire fighting, traffic control, emergency medical techniques, lifeguard, crime scene, and disaster preparedness.

These state-based projects focus on efforts to train individuals in specialty areas to prepare Hawaii's workforce for current and anticipated job openings and to increase the number of individuals with specialized skills needed by the community. These projects seek to sustain our employment and employee base in Hawaii, removing the need for importing workers from the mainland while at the same time benefiting our community welfare.

HAWAII COUNTY POLICE DEPARTMENT DRUG LAB TRAINING

One of the unique needs that relates to workforce development is the request for drug lab equipment. Hawaii County has a backlog of cases assigned to its crime lab averaging six months. An article published in West Hawaii Today dated August 22, 2001, claims, and "The backlog of cases slows the process for charging criminals, giving criminals opportunity to commit more crimes." There are also no forensic science programs available on the island. This program will purchase much needed equipment that will enable the lab to process cases on a timely basis. Without this equipment, the deterioration of the criminal justice system on the island will further deteriorate. Unless substances recovered within a few days of the perpetrators' arrests are properly and accurately identified, the alleged violators must be released creating a revolving door and an exacerbation of the drug challenge on the island.

The equipment and the lab personnel will also be utilized to introduce students to law enforcement and forensics. In summary, increased and enhanced resources will reduce lab-testing time, resulting in quicker charging decisions and opportunity for swift prosecution, offender treatment or punishment, reducing recidivism. The quality of life in the community should improve with the overall reduction in not only drug crimes, but also the reducing the number of crimes of violence and property crimes usually driven by drugs. This liaison between Hawaii Community College and the Hawaii County Police Department should increase the number of students choosing law enforcement as a career and help address a chronic shortage of local applicants for job openings available to Hawaii County law enforcement agencies.

LONG-TERM CARE (LTC) WORKER TRAINING

Life expectancy statistics have inched higher in the past decades: people are living longer. As the baby booms age the numbers of people who needing care in their later years is rising. The increase in the number of assisted living facilities around the nation and an increase nation-wide of in-home health care needs has prompted certification and specialized training in elder care and long-term care as well as a growing demand for more workers.

The RDP will provide support for workforce training targeted specifically towards the needs of the Long Term Care industry. Maui Community College will work closely with the state hospital system and the Hawaii Long Term Care Association

to provide entry-level training for Certified Nurse Aides specializing in LTC. Training for Care Home Operators will also be supported, along with specialty training for RNs.

MAUI ORAL HEALTH CENTER

The Maui Oral Health Center (MOHC) is a partner with the Maui Dental Collaborative. Maui Community College's Nursing Program in partnership with the County of Maui established the MOHC in response to the critical need for oral health services and dental auxiliary care providers. MOHC serves as the classroom and clinical site for the Maui Community College Dental Assisting Program and provides affordable and accessible oral/dental health care to the underserved, low-income and uninsured families of Maui.

During 2003 the Maui Oral Health Center (MOHC) was able to expand their dental staffing from 4 hours a week to 40 hours a week with the addition of two part-time dentists and one part time dental hygienist. The Dental Hygienist provides periodontal care for pregnant women through a grant funded by March of Dimes. She also provides fluoride treatments and sealants for children.

In response to the significant dental needs of adults that are not covered by Medicaid, the Hawaii Department of Human Service Benefit, Employment and Support Division implemented a demonstration project for recipients. This project is designed to demonstrate that meeting Oral Health needs of individuals will assist them in returning to school or work. The project will begin early in 2004 and will provide \$500/per recipient for dental care not covered by Medicaid.

VIDEO STREAMING PROJECT

The video streaming project allows faculty to record and digitize classroom instruction and activities for delivery over the Internet. The MCC Nursing Program is delivering four courses via video streaming technology during the Spring 2004 semester. NURS 253 Psychiatric/Mental Health Nursing and NURS 253 Issues and Trends in Nursing II are part of the Associates Degree Nursing Program. NURS 261, Advanced Electrocardiogram Interpretation and PHRM 203, General Pharmacology are elective courses. The Pharmacology course has 93 students enrolled from Hilo, Kona, Kauai, Maui and Oahu. The Pharmacology course is required for a number of health careers including: dental hygiene, bachelors in nursing, radiology technician. All nursing faculty members are utilizing WEBCT for on-line student participation and delivery of the video stream via an Internet link. Faculty will be experimenting with the format and will soon begin to include "call in" questions from students who access the class via Internet from their homes.

ELDER CARE/PERSONAL CARE ATTENDANT TRAINING

The Elder Care/Personal Attendant Training was created to address a shortage of elder care professionals on Maui. The Maui Community College Center for Entrepreneurship facilitated the program and has trained 55 participants.

APPLIED BUSINESS AND INFORMATION TECHNOLOGY PROGRAM SUPPORT

This grant will enhance Maui Community College's capacity to contribute to the economic diversification and development in Maui County and throughout the State by continuing to support the development of Maui Community College's first four-year degree, the Applied Business and Information Technology (ABIT) Bachelor of Applied Science Degree. ABIT will provide workforce training, targeting the needs of the growing business and information technology industries that are leading economic diversification in Maui County.

MCC administrators are also in the process of finalizing the details on the "Sustainable Technology" partnership between Maui Community College and Maui Electric Company to introduce renewable technologies and related curricula and upgrade the electrical/power infrastructure and install and demonstrate renewable energy technologies. The upgrade is one of the steps administrators are taking to streamline the University's expenses and reallocate these savings to cover ABIT development costs. Other cost-saving measures developed include moving the college to a paperless environment and improving the distance learning delivery system to capture the largest audience possible.

DISTANCE LEARNING SUPPORT

A vital component in the growth and development of an educated work force throughout rural Hawaii is the ability to reach an audience of students from all areas of the state—including the large remote areas—by providing instruction

through distance learning. While the University system has implemented a distance-learning platform through the Hawaii Interactive Television System (HITS), the delivery system and services need to be improved and expanded upon to provide an elevated level of value and service to distance learning students. This is imperative as the University prepares to develop accessible workforce training in new identified industries and established professions such as teaching and nursing.

The RJTI grant will help the University develop and streamline the current system in order to expand statewide enrollment. In identifying future demands on the University, the new learning platform needs to better utilize professors' time, provide trouble-free, uninterrupted service, be user-friendly for all, and increase the perceived educational value in the eyes of the students. Administrators and faculty will continue to search out and identify new effective, user-friendly distance learning delivery systems—such as streaming video on the internet that would reduce University expenses and help move the system to sustainability. It is these new approaches that will provide a flexible teaching format for future students facing educational barriers such as full-time jobs, living in rural area far from the colleges, or family responsibilities—barriers that keep students from the traditional campus-restricted environment.

JUST IN TIME NEEDS

RJTI staff will work closely with the local Workforce Investment Boards and Workforce Development Division (WDD) One-Stop Centers on each of the islands. As job-training needs are identified, RJTI staff will work to meet these needs. One of the steps to diversifying Hawaii's economy is actively identifying emerging employment trends and opportunities and training a workforce to fill the jobs. One area of continuing support by RJTI is the state fire fighting community's training and workforce needs. When potential future employers look at Hawaii to build a business, they need the necessary skilled workforce to make the investment viable. The funds from RJTI will allow the University system the flexibility to assist these potential employers with their needs by developing specialized training courses. While identifying potential employers, RJTI will consider providing assistance in circumstances where needs match the objectives of this grant.

While assisting new employers is critical to diversifying the economy, it is also important to work with established growing businesses in Hawaii on developing current and future workforce needs. By working in collaboration with local businesses, State leaders, and University faculty, a community effort will be established that will develop a desired business environment and adaptable workforce in Hawaii that will attract mainland or international companies.

BIOTECHNOLOGY

One of the economically divergent industries making a comeback in Hawaii is the agricultural industry. And one of the biggest debates in many communities is the issue of biotechnology. With continuing education, a growing segment of society is accepting the genetic alteration of crops, but the education and research needs to continue. Most of Hawaii's food is imported. The need for self-sufficiency is more important today than ever because some of the factors that affect the tourism industry (terrorism, political unrest, labor strikes, weather, etc.) can affect the arrival of outside supplies to Hawaii.

Biotechnology will become an important segment of Hawaii's agricultural industry and a trained workforce is needed to continue the research as well as implement new changes in production.

RDP will develop a program to train and assimilate biotech workers into the agricultural industry to meet the growing demand. It will also partner with other state and county organizations to positively influence the specialized research needed to move the biotechnology products into mainstream produce production. The effect will be a diversified and enhanced industry better equipped to meet the demands of an isolated populace.

TRADES WORKFORCE

The carpentry and other trades continue to grow in Hawaii. Demand for carpentry laborers, finish carpenters, and other construction workers continue to rise as the demand for updated infrastructure and housing increases throughout the State.

The Department of Defense recently announced a military housing privatization initiative in Hawaii that will allocate two billion dollars to renovate seventeen thousand aging military homes on Oahu over the next fourteen years. An undertaking of this size will require an extensive carpentry and construction-related workforce. In addition to the carpentry jobs, the housing project will need to be maintained and

managed over the long-term which will lead to other local work in the trades as well as jobs in landscaping, repairs and maintenance.

Funds from RJTI will focus on this employment opportunity by adapting training programs that will help local carpentry industry employees to qualify for these jobs. Since there will be a large exodus of workers from the outer islands to relocate and work on the Oahu project, these island communities will experience the depletion of their construction labor force. This construction worker shortage will need to be addressed. RJTI will identify each islands carpenter and other trades-related labor needs and design training programs to fill the demand and keep local men and women employed.

GUARDIAN AD LITEM PROGRAM

Each year in the State of Hawaii, the Judiciary courts appoint Guardian Ad Litem (GAL) representatives for children in over 3,000 cases involving charges of abuse and neglect. In recognition of the importance of providing quality based representation of children within the budgetary limitations of the state, the 2002 Legislature requested a study of the practices that exist in Hawaii and on the mainland in respect to GAL "to determine if a more effective and less costly model can be identified".

The extensive review of systems resulted in five recommendations, one of which was that a pilot project that encourages flexibility in the use of resources. The Legal Aid Society of Hawaii (LASH) has been providing GAL services under contract to certain courts for the last six years. LASH proposes a model that includes flexibility in the staffing, training, recruitment, and coordination of all GALs and those working with them including staff and lawyers. An 18 month timeframe is estimated for the development and implementation of this proposed project which would result in more experienced and willing providers working in a cost-effective framework as recommended by the Legislative report.

TECH MENTORING

For the last 25 years, the high technology industry has been considered the best solution to the quest for a diversified economy. This is the only industry (other than tourist items) that produces a product light enough and easy enough to be shipped out of the state and still be profitable. While many of the high tech component manufacturing has moved to the mainland for a number of reasons, the training of a high tech workforce that can provide the quality needed without importing people from out-of-state is a goal recognized as essential by everyone. This would reduce the "brain drain" of Hawaii's young people moving to the mainland by providing higher salaried jobs for them here, provide products requiring almost no shipping costs (software, video, films) that would put us in parity with most of the world, and better meet the needs of Hawaii's businesses for quality Information Technology workers.

The training will mentor youth with business professionals resulting in a connection between classroom learning and real-world projects. Partners for this program include non-profits with education missions in high technology and non-profits working with displaced youth such as Goodwill Industries. This mentoring will improve student retention and guide them into high tech courses, reach out of school youth resulting in GED completion and high tech vocational training, and result in a better trained workforce able to meet the needs of Hawaii's businesses and the IT industry.

OAHU ANTI-ICE HPD JUNIOR OFFICER TRAINING

For years, two factors have been actively creating a social and criminal peril to the people in communities on Oahu. The first is the drain of police officers from the Honolulu Police Department (HPD) by police departments on the mainland, mostly from the western coastal states. These departments actively recruit trained police officers from Oahu using higher pay, more benefits, and a lower cost of living as incentives. This has prevented HPD from maintaining full staffing and adequately protecting society. The second factor is the steady rise in the use of the drug "ice" in many communities. Now Oahu has a very serious ice epidemic without the sufficient police resources to fight it.

The Anti-ice HPD Junior Officer Training program will work to attract high school and post-high school young adults to careers with HPD. The greater emphasis would be to include high school students in community training and community watch programs to help the police monitor the actions of ice and other criminals. This would help to interest the students in a career in police force or to continue their education with that career as a goal. For post high school youth it would pro-

vide them with exposure to the police resources and on-the-job experience as a way to encourage them to enter a career in public safety.

The effects of this training would be an increased police force and, at the same time, the safety of the public will be increased.

CRITERIA FOR ASSESSING THE VIABILITY OF RDP/RJTI PROPOSALS

Real Long-Term or Compelling Community Need

Health care and public education are viewed as both long-term and compelling needs. The initiatives in these areas seek more lasting impact than the period of resource might suggest. Such examples as supporting the creation of nursing preceptorship curricula to address the current and impending nursing shortage and to be implemented by the public hospitals in future and addressing existing and projected teacher shortages in rural communities through “bootstrap” software to allow residents to meet teacher preparation admission criteria through perpetually licensed online software and mentor assistance present longer term approaches to endemic problems.

Jobs, Training and Work Experience

Some of the projects will identify training, work experience and jobs in rural communities that may be relatively small in number but essential to the communities’ economic and often resident health. Especially on the islands of Lanai and Molokai, whose populations are particularly small, such services as preparing nurses for dialysis treatment permit residents to obtain relief at home without the expense and risk of a regular flight schedule to Honolulu. Such training creates community capacity to prepare future trained personnel from within the organization and community. While such job creation may be especially costly in small communities, the presence of such critical infrastructure elevates the possibilities for workers with such afflictions to access employment opportunities.

Effectiveness of Short- and Long-Term Strategies

Proposals are additionally evaluated for the feasibility of the solutions for continuing services and programs beyond the life of the RDP grant. Short-term training projects must demonstrate the immediate job availability. Regarding longer-term proposals, the cooperating employer or agency must commit to perpetuating proposed project outcomes through identifying a future funding source or some other answer to continuing the service or program. Such commitments might also include an employer’s willingness to match the RDP investment to assure the continuation of services.

COST-EFFECTIVE—REASONABLE PERSON TEST

At stake in the rural communities of Hawaii are the interacting factors of: (1) small economies, markets, and workforce; (2) susceptibility of these economies to national, regional and international disruptions; (3) concern for the environment; (4) preservation of the Hawaiian Culture; (5) desire to stimulate economic development and upward mobility; (6) search for some level of social equity to sustain a sense of an island community whose disparities do not result in growing alienation between local residents and new immigrants. Among these factors, the cost relationship to the outcomes must consider all of these criteria to reinforce the sustainability of the proposed initiative.

Contribution to Sustainable Economic Development and Diversification

Although economic developments may not be reliably predicted, marketing trends; business, social, technological, and scientific directions will be analyzed to judge the future viability of each project. The extent of each project’s ability to diversify rural Hawaii’s economy will also be an important focus.

Sustainability of Initiative

Details of the proposal’s sustainability will be presented and reviewed wherever appropriate. In some cases such as training for a specific number of positions, the sustainability requirement may not be applied. However, opportunities to explore some matching employer contribution for future training will be undertaken. In most cases, a reasonable approach of between five to ten years to continuing RDP-initiated services and programs will be sought. Details of the source and strategy for perpetuating such initiatives will vary with each project.

UH, State, Federal Rules and Regulations Compliance

All RDP projects must meet all of the project-related regulations governing the grant as well as UH and state requirements.

Just-in-Time Education & Training.—The project will continue to expand “just-in-time” education and training designs that identify and prepare under-employed and unemployed residents for projected vacancies due to retirements and turnover in cooperation with existing private and public sector employers.

Employment Opportunities.—The project will continue to work towards identifying and addressing employment and training opportunities with other businesses, entrepreneurial enterprises and government employers.

Capacity Building.—The project will continue to explore and address needs for capacity and infrastructure building in Hawaii’s rural communities.

WIB.—The project will continue to develop and maintain relationships with the Workforce Investment Boards on each island.

Partnerships.—RDP will continue to develop and maintain employment and training initiatives with other partners and resources that can be used in conjunction with the Department of Labor grant funds and continue to apply these resources to a comprehensive array of services to all residents in need of employment and youth in need of workforce awareness preparation and training.

Enhancing UH System Economic Development Capacity

One of the primary objectives of the RDP & RJTI grants is to enhance the University of Hawaii System and specifically, UH rural community colleges’ capacity to provide education, training, workforce development services, and economic development support to the rural communities in the state of Hawaii. Towards this end, all programs implemented must support this objective. Although sub-contractors may be utilized as partners and support for programs when necessary, they will only be used to provide services that are not available and/or not considered practical to be offered by the UH System.

HAWAII ISLAND NEEDS AND PROGRAM HIGHLIGHTS

The Big Island Rural Development Project (RDP) is challenged by the needs of Hawai’i County’s diverse rural communities. Hilo and Kona serve as main ports of call and as a result are more enhanced in terms of economic activity as compared to other major regions on the island. The demise of sugar plantations, once a consistent contributor to the island’s economy has mired economic opportunities in the Hilo-Hamakua, Puna, and Ka’u regions. Hundreds of residents in these areas faced drastic lifestyle changes, which also affected a variety of prosperous businesses that served both the industry and its employees. The effects of these closures still linger.

The RDP has begun to identify and support ways to diversify the island’s economy to create job opportunities and to assist with preparing the workforce for anticipated job openings. Through the expertise of the Hawai’i Island Community Advisory Committee, other community-based leaders and their respective agencies and organizations, they have helped to address and support strategies to carry out these goals. Some emerging industries identified include astronomy, forestry, agriculture, biotechnology, environmental science, computer technology, tourism, entrepreneurial development, education and health and safety. RDP has looked at ways to assist with entrepreneurial development and to train or retrain residents to qualify for jobs and new careers.

Support of community leadership training and community-capacity building would assist organizations with addressing economic development from a community-based perspective. Opportunities will be provided through programs such as: Community Connection, Family Leadership Circle, State Rural Health Conference, and the Emergency Response Academy.

In the Puna district, the Backyard Awa Project and Backyard Noni Project provides opportunities for families to utilize their land to begin a small business in one of the most desolate areas of the Big Island. In the Hilo and Puna districts, a Farmer Training (Hydroponic Vegetable) Program will also support utilization of available land to begin small agricultural businesses. Island-wide, the Pork and Beef Utilization Project will enhance the agricultural industry through training for value added product development by utilizing secondary parts. Other island-wide projects address the shortages in the nursing and education industries through credited workforce training and retention programs.

Partnerships and leveraging of resources with community entities and the Workforce Development Division have been developed to provide workforce training. Computer basics and advanced classes have been conducted in these areas to address computer literacy needs as well as job specific skills training. Other similar efforts have been identified to continue addressing economic and workforce training on the island. To provide entrepreneurial opportunities to residents in the Hilo-Hamakua district, the continued partnership with Hawai’i County Economic Opportunity Council Honoka’a Ohana Incubator Kitchen has increased its capacity by making

available more enhanced equipment to encourage more diverse usage of the facility. We will continue to build upon this model and assist other incubator kitchens through dissemination of information and sharing of resources.

LANAI NEEDS AND PROGRAM HIGHLIGHTS

The Lanai RDP was instituted to empower the residents of the Island of Lanai with the support they need to succeed in today's economy. They have proven to be very effective in this capacity as is evidenced by the success of the Community Computer Training Facility and Lanai Online web page. New programs will be used to enhance the usability of these existing facilities and to take advantage of the career opportunities offered by the Lanai Company, the largest employer on the island. The summer Teen Advantage Program has allowed high-school students to gain valuable work experience that leads to unsubsidized employment.

New programs will focus on the following:

- Culinary arts
- Specialty computer lab training
- Development of a digital media production center
- Trades training
- Online e-commerce market place.

The goal of all projects is to provide the rural community of Lanai with the skills and resources to enter the workforce, retain employment, or to succeed in an independent business.

KAUAI NEEDS AND PROGRAM HIGHLIGHTS

The Kaua'i Rural Development Project (RDP) is a community driven partnership between the U.S. Department of Labor and Kaua'i Community College. The RDP is supported by various government agencies, service organizations, and businesses on the Island, through its Community Advisory Committee.

The purpose of the RDP is to develop a long-term sustainable community based project on Kaua'i that: (1) provides timely and effective employment training and business support to meet the constantly changing economic conditions, (2) facilitates economic sustainability, (3) encourages life long learning, and (4) improves the quality of life for island residents.

Using The FARM as its operational base, the RDP will continue to train and facilitate life long practical learning for the residents of Kaua'i. The FARM is a comprehensive training and business support complex situated on a 40-acre parcel of land adjacent to Kaua'i Community College. The complex features demonstration fields and classroom facilities that utilize hands-on training to teach students "real life" experiences and methodology. The Digital Media Center is also housed at The FARM. The DMC provides training in the digital media field to include such applications such as Adobe Photoshop, Illustrator, and Microsoft Publisher. It is envisioned that once completed, The FARM will operate self sufficiently beyond the life of the grant.

To promote life long practical learning and to help strengthen and diversify the employment/economic base of Kaua'i, the Kaua'i RDP plans to concentrate its efforts in the following categories:

Distance Delivered Learning.—To address the critical need for "home grown" teachers, RDP will provide an avenue for residents to earn their college degrees and teaching certificates. Through the purchase of video conferencing equipment, residents can access college level teaching courses without the need to relocate. RDP plans to collaborate with Kauai Community College and other institutions to develop a teacher education curriculum and the means needed to deliver the curriculum.

RN & LPN Preceptorship.—With the alarming decline of qualified nurses occurring throughout Hawai'i and Kaua'i, RDP will partner with other organizations to provide clinical preceptorship, specialty in-service education, and job enhancement skills to recent KCC nursing graduates. Through the preceptorship program, graduates will gain proficiency and confidence to smoothly transition into employment opportunities in the health field.

Small Business Training & Support.—The failure of new start-up businesses and the bankruptcy of existing businesses will have a negative impact on economic growth and employment stability on Kaua'i. The RDP proposes to initiate a series of classes, workshops, seminars, and counseling services to help alleviate problems and mistakes small businesses commonly make. The RDP, through its Digital Media Center, will also provide assistance to businesses in the area of marketing that may include advertising, web page design, and flyer/brochure development.

Incumbent/Dislocated Worker Training.—Unemployed or dislocated residents are finding that they need to develop new skills to re-enter into the workforce. With the constantly changing environment and workplace, even people employed are finding it necessary to acquire additional skills in order to retain their jobs or to advance in terms of responsibility and wages. The RDP will provide training to assist these individuals to enhance their skills or employment opportunities.

Agriculture/Agro-Forestry/Aquaculture Training.—To strengthen the economic base of Kaua'i, it is essential there is a diversity of industries successfully supporting the economy. With the recent catastrophe at the World Trade Center and a possible protracted recession, Kaua'i can ill afford to depend on the sugar and tourism industry. Kaua'i needs to develop new industries to enable it to sustain itself through hard times. RDP proposes to provide training that enhances employment and business opportunities in the areas of agriculture, agro-forestry, and aquaculture. Emphasis will be placed on field practices, regulatory compliance and safety issues. The FARM will be utilized as a "demonstration working model" where actual agricultural doctrines are practiced. It will develop demonstration fields that will promote and educate the community about potential crops, various production techniques, and prospects for agricultural and aquacultural diversification.

Community Builder Program.—RDP in partnership with the Council for Native Hawaiian Advancement is proposing a pilot program that provides capacity building and technical assistance to the community of Anahola. The hands-on approach enhances leadership, strengthens the organizations, and empowers them to increase their impact on the community by the creation of new employment opportunities.

MAUI NEEDS AND HIGHLIGHTS

Maui supports a wide spectrum of workforce opportunities from rural backyard agriculture in East Maui to high technology at the Maui High Performance Computing Center. (Research and Statistics Office, Department of Labor and Industrial Relations, State of Hawaii) Though available, many unemployed individuals are unable to take advantage of these opportunities due to lack of training. Two hurdles that often impede underemployed and unemployed from obtaining the training they need are: (1) lack of economic means and (2) inability to attend training classes because of time or location constraints.

The challenges that Maui RDP faces are to bring affordable educational resources and skill-training opportunities to individuals in order to provide a trained or trainable workforce and to create entrepreneurs who might start small businesses. These training opportunities must meet the economic and workforce needs of the Island in order to result in sustainable successful employment of the trainees and participants. Specific areas that have been identified by county members and CAC are outlined below.

MAUI MEDICAL WORKFORCE NEEDS

According to projections from DLIR, Home Health Aide is one of the top two fastest growing occupations in Maui County. This in part due to the expected increase in elder population (HHIC, <http://www.hhic.org/healthtrends/index.asp>) and to the nationally recognized shortage in long-term caregivers (AHCA newsletter, 2000.) As of the end of 1999, 92 percent of long-term care beds in Maui were occupied, further indicating the growth of the population in need of health care workers who are qualified for this specialty (Maui County Data Book.)

In a recent survey of the immediate and projected health care employment needs, several Maui based Health Care Agencies clearly stated their support of the development of a broad set of training programs in elder care

In response to this request, MCC's Visitor Industry Training and Economic Development Center (VITEC) and Nurse Training Program have proposed the development of a Health Care curriculum that would use a combination of both credit and non-credit courses to train and certify qualified and highly capable health care workers for our elder community.

MAUI EDUCATION WORKFORCE NEEDS

Maui County suffers from a critical shortage of certified teachers. According to the most recent DOE Annual Vacancy Report for Maui County, 173 teaching positions were vacant (main vacancy areas: Math, Science, Special Education, Hawaiian Immersion, Home Economics, Industrial Arts, Librarians, Counselors).

The shortage can be attributed in part to:

(a) *Low retention of qualified teachers.*—(The DOE has been unable to fill these teaching vacancies, often resorting to recruiting teachers from the Mainland. These recruits tend not remain in Maui County since they are not from the communities

they teach in and have difficulty with acculturation. The statewide retention rate for newly hired teachers is only 45 percent by the end of the second year of employment), and

(b) *Lack of adequate training and certification programs on the Island of Maui.*— (As an alternative approach to solving the shortage, the Maui County DOE has hired several “substitute” and temporary teachers who are uncertified and will require training leading towards their certification if they are to remain in their current positions.)

Current solutions to these problems being used across the country include; progressive mentoring programs for first year teachers, increased effort to train more Educational Assistants (EAs), provision of Alternative Certification programs for teachers with bachelors degrees, and the development of Career Ladder curricula for teacher education. A thoughtful combination of these strategies applied to the specific educational needs on Maui can be used to increase the population of qualified and CERTIFIED teachers in our public schools.

MAUI SMALL BUSINESS NEEDS

In 1996, businesses with fewer than 500 employees accounted for 55.9 percent of the states non-farm private sector employment. A 1997 report from Maui County Data book (2000) sets over 50 percent of Maui farms as individual or family run (sole proprietorship.)

Many small businesses have reported difficulties after their first year of operation due to a need for ongoing training in basic business practices (such as budgets, marketing, accounting, tax regulations etc.) and for introduction to new strategies in production and management.

Several agencies are addressing immediate practical needs of the small business entrepreneur through the proposed development of resource centers for retail startups and small business incubators. These include a retail business resource center to help in the revitalization of Wailuku (county seat), a small business incubator through the MCC Center for Entrepreneurship, and a “virtual incubator” for developing tech industries on Maui. Preliminary estimates put the number of participants in these incubator programs between 100–400 for the first year. RDP will provide training and other support services for this program.

MAUI WORKFORCE NEEDS

Incumbent Worker Training

One of the main areas of focus stated in Hawaii’s Workforce Investment Act Plan is the training of incumbent workers (http://dlir.state.hi.us/wia/chapter_2_vision.htm). Training of this sector of our workforce serves three valuable purposes in our community: (1) to increase job retention rates, (2) to promote professional advancement, and (3) to increase in the availability of entry-level positions to under- and unemployed individuals.

Maui businesses in previous workforce development focus groups have specifically indicated that they need training programs that they can easily adapt to their ongoing operations. Ideally, these training programs would be comprehensive but brief, modularized but developmental, and could be taught in-house by their own management once given adequate instruction and guidance. Once implemented, these training programs can be applied to incumbent workers for advancement and to entering new employees in order to insure a continued high standard of service for the business.

Entry Level Training

The Workforce Development Department (WDD) of Maui has stated that they have received a significant level of requests for entry-level training from retail, restaurant, and selected service industries on Maui.

Specifically, they have received several requests from employers for employees with a commercial driver’s licenses. In the past, WDD would send clients to a CDL course offered at Leeward Community College but the expense of the course and transportation now inhibits this option. WDD has requested the development of a CDL course in Maui and will be able to fund participants when the course is offered.

Though retail and restaurant training programs are available through VITEC’s RITE and RISE programs there still is a need to develop support programs for newly placed employees in these industries. These efforts could easily be combined with the Incumbent training initiatives mentioned in item I of this section.

Technology Workforce

According to the WDD for Maui County there will be a 50 percent increase in the number of jobs for software engineers, just one of the many tech related skills that are becoming more and more in demand on Maui. More high tech jobs are on the way to Maui through the Defense Department interests and through the new University of Hawaii management of the Maui High Performance Computing Center.

These incoming interests need to be able to tap into the large number of skilled workers on island and the many others that wish to return to Maui from the Mainland. (Many individuals have left the state to pursue technical careers simply because they do not feel they can have such a career in Hawaii.) Identification of these populations would encourage investors in high tech fields to come to Maui, creating the opportunities that would draw and retain this highly skilled group of workers. In addition, the identification of the technology businesses and workers on Maui would allow RDP to use its unique affiliation with the University of Hawaii and MCC to help students find on the job training through intern opportunities offered experts in technology.

MOLOKAI NEEDS AND PROGRAM HIGHLIGHTS

Molokai RDP's focus is to capitalize on community assets as the cornerstone of economic development.

MOLOKAI AND THE TRADES

Molokai has 1 licensed masonry contractor, 8–10 licensed carpenters, 1 licensed plumber, and 2 licensed electricians. Typically, off-island contractors receive the major construction contracts on Molokai due to a lack of capacity on-island. Most construction type laborers on-island are non-union and significantly less skilled than their off-island counterparts. The stark contrast between non-union and union workers exists in pay scale, benefits, and job opportunities. Non-union workers make between \$15–20/hour without benefits. Union workers earn an estimated \$30/hour plus hourly vacation pay, annuity, and medical, dental, and chiropractor benefits which total cumulatively to \$55–65/hour. Union jobs are unavailable to the largely inadequately skilled pool of Molokai construction workers who do not possess journeyman status or an apprentice card. Additionally, for those who are eligible, the high union dues coupled with the small amount of construction contracts on Molokai pose a disincentive for resident construction laborers to pay union dues.

In order for Molokai laborers to be competitive in the construction industry, they need to increase their work skills. RDP partnership with existing Molokai licensed contractors to conduct on-the-job training along with formal instruction at the community college would qualify committed individuals to apprenticeship programs with the union. This in turn will allow Molokai trainees greater access through the union to steady construction work on and off-island.

With prospective employment in major military construction projects on Oahu, it is our hope that individuals from rural communities like Molokai may also access jobs generated from this effort. With the hours earned and experience gained, Molokai individuals may eventually qualify to become licensed contractors, thereby enhancing the island's own capacity to compete successfully for Molokai construction contracts.

MOLOKAI ONGOING CHALLENGES

RDP's objective is to determine what gap areas exist in the workforce that require added skills and training to residents. However, the unique challenge faced in very small rural areas like Molokai is that building capacity requires not only increasing job skills but helping to fuel the economy in creative ways that neither exceed that community's carrying capacity nor degrade natural and cultural resources, the social framework, and other special characteristics. Jobs are scarce on Molokai, therefore RDP needs greater flexibility in exploring and assisting not only in work training initiatives but also in job creation and economic stimulation. While RDP is charged to invest in projects that commit to sustainability, it often is called to play a more active role in assisting projects to achieve sustainability.

OPPORTUNITIES & SUCCESSES

Molokai Commercial Kitchen

Current RDP projects, like the Lanikeha Commercial Kitchen, show potential clients taking their finished products to the next level. The Lanikeha Commercial Kitchen has two (2) regular users: Chong's Poi Shop which distributes fresh poi to local stores on a weekly basis and Moki's Munchies which processes weekly steamed

muffins also marketed in the local stores. Other users are at the test batch and marketing stage: L&R Farms developing a sweet potato chip product and F&G yam farmers creating a special yam chip. Other users like a local deli operation working on bottling its delicious house salad dressing and a homemaker creating fresh coconut candy strips are in the early product development stage.

Molokai Slaughterhouse

In collaboration with the state and county governmental agencies, RDP is providing equipment, training and personnel funds to bring on-line the new Molokai Slaughterhouse facility. While other, older slaughterhouses in the state are phasing out due to non-compliance with new regulations, the opening of this state-of-the-art facility poses a tremendous economic boon for Molokai and an opportunity for other islands to get their animals processed. A tentative commitment has been made to ship animals from Maui for processing at Molokai's slaughterhouse. Inquiries have also been made by Big Island slaughterhouse personnel to process some animals on Molokai. Ranchers and homestead farmers on-island now have a venue to process their animals. There is approximately 3,500 to 4,000 head of cattle on the island. An estimated 150 Molokai families raise livestock largely for home consumption; with the advent of the slaughterhouse, there are now opportunities for these small-scale farmers to expand into commercial livestock production. The grocery stores need not import meat from off-island as they will now have access to meats reared and processed right on Molokai. The monies generated will benefit the community directly. The Molokai Livestock Cooperative in conjunction with RDP is soliciting applicants for a manager position. The interviewing and hiring process will take place shortly.

Molokai Business Assistance Center

The Molokai RDP supported the establishment of a "without walls" Business Incubator & Counseling Center (BICC) which served a clientele of over 100 residents at various stages of entrepreneurship development. The program was completed in July 2003 and RDP and its Community Advisory Council (CAC), comprised entirely of voluntary leadership in the community, has dedicated many planning hours to revamping and improving services provided to Molokai's existing and new entrepreneurs.

RDP is in the process of hiring a Business Assistance Coordinator as a kick-start to the program. This position is critical to assisting clients in the formation, success and longevity of their businesses. It is designed to link clients to appropriate business resources located on and off island, connect individuals to online business expertise and entities that provide start-up capital. Various partners like the Molokai Chamber of Commerce, the US Small Business Administration, Hawaii Small Business Development Center, MEO Business Development Corporation, the Molokai Enterprise Community, Molokai Community Service Council, the Queen Lili'uokalani Children's Center, the Maui Community College—Molokai Education Center, and other entities in the private, public, and non-profit sector are also involved in this effort. Sustainability is anticipated with the advent of a permanent county Economic Development Specialist position on Molokai.

There is a critical need for small business development is certainly promising and compatible particularly in a rural setting. Small businesses tend to have greater longevity than corporations in that their size allows for greater innovation and adaptability to changing economic conditions.

A kind of innovative and creative spirit is prevalent on Molokai, a place where the resident population prides itself on its ability to perpetuate a lifestyle grounded in tradition and where "Mom and Pop" operations constitute the norm rather than the exception. Consistently, one of the highlights every weekend in downtown Kaunakakai is a Farmer's Market showcasing local, Molokai homegrown produce, food treats, handcrafts, and art pieces. Given access to the right resources and services, these vendors and other like-minded individuals have the potential to grow businesses that could market successfully to a much wider consumer base. The Lanikeha Community Kitchen for which RDP and a number of partners co-sponsor is working with residents on test batching and marketing analysis of value-added food products. The Molokai state-of-the-art slaughterhouse has been recently completed. As animals are processed through that facility, opportunities for value-added meat products and cross-pollination with other enterprises like the commercial kitchen will arise. The Molokai Enterprise Community's strategic plan identifies several economic projects that point to small business development on island.

Molokai Dialysis Training

RDP covered costs associated with training 3 hemodialysis technicians. All 3 remain employed at the Dialysis Center located in Kaunakakai, central Molokai. The Dialysis Center has expanded its operations to 6 days a week in order to accommodate the rise in patient numbers. This patient increase also calls for another job position for a part-time Registered Nurse to cover the extra shifts. With the collaboration of several partners (Saint Francis, Na Pu'uwai, DOH, OHA) and commitments made by Senator Inouye and other federal and state legislators, RDP is helping to support the expansion of dialysis services to remote Kalaupapa Peninsula, the home of Hansen Disease patients. RDP will again cover initial and expanded training costs for hemodialysis technicians.

The planned infrastructural improvements and expanded services at the Molokai General Hospital and the establishment of a community health center for the uninsured and under-insured will pose new job opportunities for which RDP could play a vital role in workforce training.

The hospital's anticipated phase out of long-term care will necessitate a response from the private sector. The training of Long-Term Home Care Operators is envisioned.

Molokai Teacher Preparation

RDP provides PRAXIS Test Preparation workshops to help current teachers retain their jobs given new, more stringent National and State education standards. To date, 9 participants have passed the examination.

Archaeological Inventory & Cultural Monitoring

An Archaeological Inventory & Cultural Monitoring training program for 15 individuals is planned. Formal instruction along with field reconnaissance work, site identification, and mapping of an entire ahupua'a will be conducted. This training is seen as the first step to developing a positive track record and encouraging other landowners to participate in further surveys which will bring the community closer to its goal of completing an island-wide inventory. Trainees will also enhance their employability in this area. Some projects planned for Molokai include a request by Molokai Properties, Ltd. (formerly Molokai Ranch) for identification of archaeological features on their lands in order to develop a land management plan; the development of a cultural resources management plan by Pu'u O Hoku Ranch, Ltd. And Halawa Valley Land Trust for properties in Halawa Valley; a rock art inventory project by Volcano Art Center; and an upcoming reconnaissance survey to be conducted in Halawa by the National Park Service. It is anticipated that out of the 15 trainees, 8-10 will become certified for archaeological inventory survey and cultural monitoring positions.

Senator INOUE. I thank you very much, Dr. Sakamoto.

STATEMENT OF RAMSEY R. PEDERSEN, CHANCELLOR, HONOLULU COMMUNITY COLLEGE

Senator INOUE. Now may I call upon Chancellor Pedersen.

Mr. PEDERSEN. Senator Inouye, Senator Akaka, thank you for the opportunity to testify before you today. My testimony is written and I would like to make that part of the record.

Senator INOUE. Without objection.

Mr. PEDERSEN. And speak directly to a couple of major issues. The Governor actually took a lot of my testimony and already said it, so I will defer to her on those issues.

But we are the home of construction training for the island of Oahu. We are the apprenticeship training coordinating group. We work with all of the unions involved and with the American building contractors, the non-union apprenticeship program, and we work with them quite closely in terms of trying to judge and figure out where to go on these issues.

A couple of things are quite clear. Number one, the expansion is going to require more training. That training is going to have to be also put where the possible employees, the new employees, are

going to come from. The research that we have shows that the unemployment rates on the Leeward side and the Central and North Shore of Oahu dictate that the new people coming into the industry will come from those areas but also from what we hope will be high school alignments that the Governor alluded to that we're working with the Department of Education.

Given that, Honolulu Community College, which is pretty well maxed out in terms of its space and availability to train, is recommending that we work with the industry to create another major training center in west Oahu, that we look at expanding the ability to take services out to where the population is that needs the training. And one of the greatest under-utilized resources in the State right now is Ko'olauloa, and we are very interested in terms of being out there.

The Carpenters Union is going to be developing another training center at Ko'olauloa. We have a 71-bed facility that we have not been able to open that we took on for aviation use. And since 9/11 curtailed the aviation development, we're looking towards opening that up for neighbor island apprentices to be able to have a place to live in this extremely expensive housing market in terms of dealing with those kinds of issues.

In terms of working with the Department of Education, we are contracting the Center for Occupational Research and Development, or COD as they're known, and their President Dan Hull, who wrote the book *Keppra* and wrote the relationship in terms of how community colleges and high schools should align themselves to create coordinated cohesive contextual training program.

Dan and his group will be coming out here in 2 weeks to work with us, and the Department of Education, and Department of Labor, the unions, and others in terms of a development of a four-course sequence which fits into the curriculum guidelines, and the new high school graduation requirements of the Department of Education are going to be implemented.

I'm sorry that Patricia Hamamoto isn't here right now because that's the person who is spearheading that in her organization with us and they're partnering with us on this.

The idea is that we can expand the incoming pool of qualified people. Kids today are gamers. They are not builders. And we have lost a lot of the ability, as one of my apprenticeship coordinators told me, of a father and son to go into their shop and build something together. Given that change in technology and change in terms of innovations, bringing students back into the processes of tooling, of understanding technology, of looking at basic fluids, dynamics, how the sciences operate in relationship to this would be addressed in this high school curriculum that we will also make available to the entire State. This will give us standardized contextual curriculum to all high schools willing to want to embrace it.

PREPARED STATEMENT

We, at Honolulu Community College and our colleagues on the neighbor islands, will be proposing to also make that available, upon space available, to the students whose schools do not have this. We'll be able to create a much larger pool, a much larger pop-

ulation of individuals that will be trained and able to take these jobs that are going to come up.

So we're looking forward to working on these projects and we please ask for your support in the future and we're very excited that this opportunity has come about. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF RAMSEY R. PEDERSEN

Members of the Committee, mahalo for the opportunity to testify before you relating to increasing Hawai'i's trades program to meet the demand brought about by the privatization of military family housing.

CONSTRUCTION TRAINING ISSUES

Honolulu Community College coordinates all construction apprenticeship training for the island of Oahu, and has certificate and associate degree programs in Applied Trades, Carpentry Technology, Architecture, Engineering, & Computer Assisted Design, Electrical Installation and Maintenance Technology, Occupational and Environmental Safety Management, Refrigeration and Air Conditioning Technology, Sheet Metal and Plastics Technology, and Welding Technology.

Enrollment in apprenticeship hit a low of 1,042 in Fall, 1997. This was the result of a prolonged static construction market. Fall 2003 enrollment was 2,163. Enrollment in all construction technology degree and certificate programs was 601 majors in Fall, 2003.

There is an unprecedented surge of energy in the construction industry. 2004 total value is estimated at \$4 billion—the first such year since 1988. This has led to the rise in apprenticeship training, and does not include future expansion necessary for the military construction and remodeling projects. It is anticipated that a total of close to 10,000 jobs will need new employees in the industry over the next eight years due to expansion and attrition.

The training process takes five to six years to complete the related training in apprenticeship and the required hours of work experience under the supervision of journeyworkers. A surge in hiring is anticipated as military projects come on line during the next 16–18 months, but the trades are caught in a “chicken or the egg” situation. They are not able to indenture apprentices without work experience opportunities, but may not have enough workers in the pipeline to meet the demand.

Large trade unions such as the Carpenters Union are gambling on the work being there. They plan to have an intake of an additional 400 apprentices by Fall, 2004. Smaller unions have to take a wait and see approach due to limited training opportunities and the required ratio between journeyworkers and apprentices, usually 3 to 1.

It is anticipated that not all of the work subcontracted by Actus Lend Lease and Flour/Hunt will go to union contractors. The American Building Contractors, the nonunion apprenticeship program, is also anticipating a rise in work and employment. Some workers who have left the state will be recruited through a return to Hawai'i program, while other mainland workers will be relocated for the duration of the work.

Honolulu Community College and its sister institutions on the Neighbor Island with apprenticeship programs are capable of expanding training with additional personnel, supplies, equipment, and facilities. Honolulu CC is running almost at the capacity of the existing facilities without changing to a double night shift that would keep apprentices in class in the second shift until 10:30 p.m. That produces a significant hardship on individuals with early work schedules at the job sites.

Adult workforce demographics, recruitment experience, and unemployment patterns indicate the following:

- The majority of new apprentices to be hired from the adult population will come from the Leeward, Central, and North Shore areas of Oahu where unemployment is the highest.
- A significant number of the unemployed population are on public assistance.
- Commuting to a training site at Honolulu CC may produce a severe hardship on trainees.
- A large percentage (up to 50 percent) of applicants are rejected by the unions due to an inability to pass the entry math screening tests where administered.

DEPARTMENT OF EDUCATION—COMMUNITY COLLEGE PARTNERSHIPS

The Hawaii State Department of Education and the community colleges are working to create a true career construction pathway through the Career and Technical Education system. New proposed graduation requirements will require students to choose two credits (four semester courses) in any of three different areas—Fine Arts, Career and Technical Education, or World Languages.

We believe the design and developed of a competency-based, contextually rooted, interdisciplinary construction technology curriculum will appeal to many students. A standardized curriculum with clear learning outcomes will lead to a direct articulation into the community college construction technology programs, direct employment into apprenticeship, or a career choice to attend a baccalaureate institution with a related major (business, architecture, engineering, human resources, etc.).

To attain the goal, the Department of Education and Honolulu Community College will:

- Contract the Center for Occupation Development and Research (CORD) to create a four-course curriculum for a construction academy to be offered at high schools as a transformation from the existing uncoordinated construction technology courses.
- Hold training sessions this summer in the utilization of the curriculum with high school and college construction faculty.
- Implement the academy curriculum at high schools and colleges with the capacity and trained staff.

We believe the construction academy will focus students on the opportunities available for future employment, the career preparation and academic competencies necessary for employment, and to develop the interest and skills necessary to succeed as productive employees in the industry.

NECESSARY ACTIONS TO EXPAND THE QUALIFIED LABOR POOL

- Coordinate proposed activities with efforts of the Hawai'i Congressional Delegation, State Department of Labor and Industrial Relations, the Oahu Workforce Council, contractor associations and labor unions, primary federal contractors, and the Department of Education, and the Department of Human Services.
- Create math refresher preparation workshops to assist apprenticeship applicants in meeting basic skills requirements.
- Develop a program to provide job readiness skills to individuals in need of more significant remediation in an intensive 70–120 hour workshop environment.
- Develop the infrastructure capacity to support expanded training, including additional capacity for apprenticeship and journeyworker training, and community college associate degree programs throughout the state.
- Support the design, development, and implementation of high school construction career academies offered at the high schools or on college campuses.
- Create a construction career center in West Oahu to expand training capacity in all of the activities mentioned above.

These necessary actions will require investment, coordination, and cooperation of all parties. The investment would easily be recouped from the additional taxes paid in expanded excise and income taxes from the industry's growth. Collaboration and teamwork are the keys to maximizing opportunity for Hawai'i's people.

Senator INOUE. Thank you very much, Chancellor. I want to commend both of you for the work that you're doing.

Dr. Sakamoto, I think Maui County is most fortunate to have you because your community college has taken a leadership role in higher education. In fact, you were the first one before Honolulu. And the innovative programs you have established on Lana'i and Moloka'i are very exciting. I can tell you that some of my colleagues are looking upon some of your projects as models. The Lana'i project is now being discussed in the Department of Labor, for example.

Dr. SAKAMOTO. Thank you very much, Senator. We're very grateful for your continuing support and it's made tremendous difference to our county community and to our college. We're very grateful.

Senator INOUE. Mr. Pedersen, with your facilities and your staff, do you think we can meet the challenge which is thrust upon

us to providing qualified workers for all of the construction work that we anticipate shortly.

Mr. PEDERSEN. I think we have the curriculum. I think we need an expansion of both staff and facilities to be able to deliver those services to wherever the population is at.

It is very difficult for a Leeward population to get into downtown Honolulu at this point for training and education, and so that's why we're looking at setting up some sort of a satellite operation.

Senator INOUE. Do you have any cost figures?

Mr. PEDERSEN. Not at this point. We're still in the discussion stages in terms of availability of land, whether or not possibly some of the properties that were turned over for development by the Navy might be available. There are a number of things that have to go forward before we can do this.

Senator INOUE. Well, we'll have to work together on this.

Mr. PEDERSEN. Yes, sir.

Senator INOUE. Because of the nature of the programs that we have, I think we can bring about a partnership between your activity and the Federal Government.

Mr. PEDERSEN. We look forward to that, sir.

Senator INOUE. And I think we can do something about that.

Mr. PEDERSEN. Okay.

Senator INOUE. Senator Akaka.

Senator AKAKA. Dr. Sakamoto and Mr. Pedersen, I want to commend you for what you're doing to address the double whammy we're expecting. And the double whammy is the baby boomers retiring and the new projects that are coming out to Hawaii, and we need to develop a huge workforce. And I want to commend you for what you're doing, working together and with the community as well to bring that about.

Again, I want to add my part in telling you that I stand ready to work with you to make all of this happen. Thank you very much.

Dr. SAKAMOTO. Thank you, Senator.

Mr. PEDERSEN. Thank you.

Senator INOUE. Now may I call upon the representative of the General Contractors Association, Mr. Lance Inouye; representing the Building Industry Association, Mr. Randy Lau; and representing the United Brotherhood of Carpenters & Joiners (Local 745), Mr. Ron Taketa; representing the Painters, Decorators, Paperhangers & Allied Traders (Local 1791), Mr. Lynn Kinney.

STATEMENT OF LANCE INOUE, PAST PRESIDENT, GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Senator INOUE. Gentlemen, welcome. And may I call upon Mr. Inouye.

Mr. INOUE. Thank you, Senator Inouye, Senator Akaka, and members of the U.S. Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies.

My name is Lance Inouye. I'm president of a small general building contractor here in Hawaii and I'm past president of the General Contractors Association of Hawaii, GCA.

I'm here to represent the General Contractors Labor Association, GCLA, at the request of Mr. James Ramirez, its Chair, and cur-

rently first vice-president of the GCA. Mr. Ramirez, unfortunately, was called up to Alaska on an emergency and sends his apologies that he could not be here personally.

If it would please this subcommittee, I would like to read his prepared testimony. On behalf of the GCLA and various construction industry organizations, I would like to thank you for giving us the opportunity to express our views relative to our ability to meet the construction labor demands of the revitalized Hawaii economy.

These are exciting times for the Hawaii construction industry and we are even seeing the return of the other State bird, the tower crane. We have faced the economic doldrums in the mid 1990s when the economy struggled, and our market dropped from a peak of \$4 billion to under \$3 billion, and our workforce reduced from 34,000 to the present 26,000.

Today, fortunately, we are faced with simultaneous and rapid growth in both private and public sectors, particularly the military work in the Federal front, thanks to you and Mr. Abercrombie.

I have four topics that I will be addressing in my testimony by way of a question format:

1. What labor lessons did we learn from the previous construction boom in the mid to late 1980s and early 1990s that can apply to our situation today?
2. What data is needed to determine the extent of the upcoming labor shortage?
3. What occupational skills is the construction industry lacking?
4. What type of support are we requesting from the government?

The first question is: What labor lessons did we learn from the earlier construction boom in Hawaii?

What we learned was the following: The construction industry ramped up to peak of a \$4 billion market. There were ongoing major private projects with the development fuel coming in from the Japanese investors. Major State projects were also in full swing. There were approximately 34,000 people in the construction workforce.

However, even with this boom, the major contractors did not import labor from the mainland. The 34,000 workforce came from the local labor pool. The real issue was the syndrome of, quote, "scraping the bottom of the barrel," unquote, in which there were bodies but skills were lacking. It was clear that more training would have been definitely helped as evidenced by quality issues experienced on some of the projects.

The second question is the crux of the labor issue: What data is needed to determine the extent of the upcoming labor shortage?

In the past year there have been several government and private organizations addressing the issue of labor shortage, with the last one being the Hawaii Jobs Summit spearheaded by Honorary Summit Chair Mr. Abercrombie. Various local experts presented their views and a myriad of statistical information shared with attendees. The next step is to crystalize this information into a usable and practical way. From our standpoint, the Summit appears to be the best forum to do this.

One key point that needs to be pointed out is that the Summit must ensure that the data is accurate and timely. Also, in pro-

jecting the labor requirements, the following three key points must be considered:

1. The commitment by the military privatization contractors to use the local construction companies is probably the most important consideration. We are encouraged that these firms have stated that it is their intent to subcontract 75 to 85 percent of the work to local companies.

2. Our latest information shows that three privatization projects are ramping up at different times. This means that the labor demand should be a gradual build up. The concern about being overwhelmed should be less of an issue.

3. Of primary importance is the projected timeline for the start and duration of the privatization projects. We have preliminary information on the anticipated start dates of construction but they need to be firmed up so that a workforce loading schedule of the various trades can be prepared. Obviously, the better the timeline information, the more accurate the manpower projections will be.

The next question is: What types of occupational skills needs to be upgraded to accommodate the privatized housing programs?

In housing work, about 12 different skills or trades are involved; carpenters, laborers, masons, operators, iron workers, roofers, glaziers, painters, carpet and vinyl flooring, drywall, plumbers, and electricians.

The GCLA, in conjunction with Pacific Resources Partnership, will be performing surveys of the existing manpower availability of the various trades and their ability to meet the upcoming labor demand.

At the present time, the concern about a labor shortage is not across all construction trades and some trades are better prepared to meet this demand.

Most recently, our industry has experienced a shortage of masons, which are the cement finishers and block layers. Many of the structures in Hawaii have concrete frames and thousands of housing slabs will require this cement finishing skill. This is one trade that needs a larger workforce and retraining of existing journeymen.

With respect to new skills, more training for metal stud wall and roof framing needs to be done. Housing construction in the past has been wood framing, and new military housing will incorporate metal framing which requires different skills.

In the past few months, the GCLA, through the Carpenters Apprentices and Training fund, has been working with the Carpenters Union on developing a training facility for this purpose. The details of this venture will be covered by Mr. Ron Taketa, business manager and financial secretary for the carpenters.

Although funding is a problem, there are ongoing discussions about shared funding of this program jointly between the Trust Fund and the Carpenters Union. This is an example of the cooperation between the contractors and one of the primary unions and discussions will be held with other labor organizations.

My final topic is the question: What kind of support do we need from the government in construction related training?

From the GCLA's standpoint, we are encouraging the various labor organizations to implement immediate steps, as well as tak-

ing a long-range approach, in meeting the labor demand requirements. We are encouraging these labor organizations to do the following:

1. Upgrade the skills of existing journeymen.
2. Establishing programs for encouraging younger retirees to return to the work force during this period of high labor demand.
3. Continuing the apprenticeship programs with the community colleges.
4. Stepping up the recruiting effort.

All of the above pursuits can happen but it will take dollars to implement them.

For the labor organizations to implement the various construction related training and recruiting programs, funding assistance from the government is needed. The amount of the funding and which organizations would qualify for this assistance need to be based on established guidelines, which would be developed in conjunction with the Hawaii Jobs Summit.

We are further requesting that our congressional representatives and State officials strongly encourage Actus Lend Lease, the Hawaii Military Communities LLC, and the Fluor Hawaii LLC to give the local contractors the opportunity to participate in the upcoming 10-year construction program as well as the 50-year privatization program. All the additional training will only matter if you're able to get the work.

Again, thank you for allowing me to give the viewpoints of the GCLA and other construction organizations. Please be assured that with your help we can and will be ready to meet the upcoming labor challenges.

Senator INOUE. Thank you very much, Mr. Inouye.

STATEMENT OF RANDY LAU, PAST PRESIDENT, BUILDING INDUSTRY ASSOCIATION

Senator INOUE. Mr. Lau.

Mr. LAU. Good morning, Senator Inouye and Senator Akaka. Welcome home. Distinguished members of the subcommittee—I can speak loud. My name is Randy Lau, past president of the Building Industry Association of Hawaii. We represent 465 companies and 23,000 employees that go with them. Our primary niche is in training on employer training, management and project management.

The BIA is a leader in training and advocacy for Hawaii's building industry and strongly supports increasing local trades programs to meet the demand for construction labor stimulated by multi-million dollar housing projects now underway.

As a result of the government's A79 initiatives, which we are thankful for, relating to the privatization of military housing, Hawaii's building industry is anticipating a sharp increase in the demand for labor in all construction trades, including management.

In a study conducted for 2004, Hawaii Jobs Summit, by Professor Sang-Hyop Lee of the University of Hawaii Manoa. Dr. Lee projects a cumulative increase of 7,425 workers over the next 5 years. This increase will coincide with already strong demand spurred by record sales in private housing and by continued growth in commercial projects starts due to favorable interest rates.

Hawaii's labor training needs are unique in that the State is isolated geographically and therefore not readily accessible to large mobile labor pools in the contiguous 48 States.

In addition, when out-of-state labor is imported for a relatively short-term, growth of the workforce is not accompanied by an equivalent reduction in local unemployment, leaving a burden on State support programs. This is made worse because imported workers tend to remain in Hawaii unemployed after their initial jobs are over.

There also exist an underlying long-term phenomenon that I had the opportunity to discuss at a national meeting with the National Association of Home Builders Education Arm that Mr. Pedersen referred to as "gamers." This affects our entire country whereby children are receiving less vocational training and have reduced interest in construction as a profession. This decline in vocational industrial pursuits may be related to a generational movement toward technology related interest "gamers" and service sector employment, but there is a risk of imbalance if it is allowed to persist.

Our Nation's construction industry not only designs and produces the structures our society requires to function in, it also requires well paid and rewarding career opportunity and serves as a poke and driver of our economy.

The Building Industry Association of Hawaii believes this decline in critical skills can be mitigated with Federal assistance for training and job placement programs and a stronger marketing of such programs, even at the elementary level. So we may be even looking at this phenomenon affecting us on a long-term basis.

In addition, increases in the Federal sector work are requiring more small businesses to be trained in how to do business with the government in terms of procurement, labor management, software compatibility, and electronic work flow. Additional training is needed in the higher level skills to improve the service and capability of Hawaii's small business on government contracts.

In conclusion, the BIA believes that increase in demand for Hawaii construction laborers, trades people, and managers can be accommodated locally. However, this will require a comprehensive increase in training and instruction that is applicable to both public and private sector projects a concerted effort to repatriate skilled workers who have left the State during sluggish periods and a renewed marketing effort focusing on our youth.

The BIA respectfully requests your support in increasing Hawaii's trades program. Thank you for the opportunity to express our concerns and we advocate a positive solution.

Senator INOUE. Thank you very much, Mr. Lau.

STATEMENT OF RON TAKETA, UNITED BROTHERHOOD OF CARPENTERS AND JOINERS, LOCAL 745

Senator INOUE. Mr. Taketa.

Mr. TAKETA. Aloha, Senator Inouye, Senator Akaka, and staff and members of the Senate Appropriations Subcommittee here this morning.

My name is Ron Taketa and I'm the financial secretary and business representative for the Hawaii Carpenters Union. It's an honor and privilege to come before you today on behalf of the 19,000

union tradesmen and women of the construction industry in Hawaii.

Most of the leaders of the building trade unions are in the audience with us today. We welcome your assistance and partnership to build a properly trained, qualified and expanded workforce to meet the demand for more skilled workers, to develop and maintain privatized military housing and living facilities in Hawaii over the next half century.

Last month, Hawaii's Jobs Summit with Mr. Abercrombie estimated that the privatized housing contracts being awarded in Hawaii will require more than 7,500 new skilled construction workers on top of the present labor pool in the marketplace.

Needless to say, expanding our membership by 40 percent over the next 5 to 10 years is going to put a tremendous strain on our resources. And we have always been, the unionized industry, the most reliable and productive sources of skilled workers for the industry.

In fact, finding and training new members is so important to the unionized industry that both management and labor unions together have been administering joint trust funds for training programs for over 40 years.

Because we are all quite aware of what's coming up with the military, each and every construction union has already started or developed contingencies to increase their ranks, to compete for and fulfill the requirements of military housing projects.

As previous speakers have already mentioned, the Hawaii Carpenters Union has optioned a site at Barbers Point to create a free-standing training center of our own to supplement our certified apprentice programs at the community colleges where we now have more than 1,200 apprentices currently enrolled.

The Laborers International Union already has a similar free-standing facility with about 100 laborer apprentices at the state-of-the-art training center in Pearl City.

The Operating Engineers Union has a spacious 30-acre site on Oahu's north shore in Kahuku.

The International Brotherhood of Electrical Workers trains over 200 apprentices at its own facility in Kalihi with an annual graduation rate of 92 percent.

On Oahu's central plain at Waipio, the two Iron Worker Locals maintain their own training center where they have graduated more than 200 apprentices over the past 5 years with an additional 200 currently enrolled in their certified program.

My colleague here on the panel, Lynn Kinney of the Painters Union, has already increased his apprenticeship ranks by a third to accommodate the new military housing projects.

The Hawaii Masons Union now has almost a quarter of its membership in apprenticeship training.

The Drywall Tapers and Finishers Union has increased its training program to about 180 apprentices out of a total of more than 400 members.

The Plumbers and Fitters Union has an outstanding 97 percent retention rate for its training program, which now has more than 300 apprentices involved.

As you can see by these examples, the stepped-up enrollment and instruction in anticipation of military housing contracts have been costly and time consuming to unions but we look upon them as investments in the futures of our members. We paid the price to develop these programs, gone the extra mile to make them statewide through the community college system, and complied with rigorous State certified standards and criteria to ensure the best instruction and results.

The unions have far and away consistently demonstrated that they have the most productive training programs in the State. In reality, there are no others that have this stability, the infrastructure and the potential to meet the increased demands of the military contractors. We, as unions, realize we have a responsibility to anticipate the job market and I believe we've done all we have so far with a sincere effort to keep the jobs generated by the upcoming projects right here at home in Hawaii.

We put forth to help our economy for everyone's benefit and we want to do our part to improve the quality of life for military families who put their life on the line for all of us.

PREPARED STATEMENT

On a final note, I want to say personally that the construction trade unions have stepped up to the plate in every way without any corresponding commitment from the designated awardees of the military contracts that they will favor us with an agreement or any other arrangement that assures the most qualified construction workers in the State participate in the upcoming work.

We feel our record speaks to the commitment and investment we have in our members and in our contractors and to the future we seek of fairness and opportunity for coming generations of men and women in construction.

Thank you for your attention and your concern.
[The statement follows:]

PREPARED STATEMENT OF RONALD TAKETA

Aloha to Senator Daniel Inouye, members and staff of the Senate Appropriations Subcommittee here this morning. It is an honor and privilege to come before you on behalf of the 19,000 union tradesmen and women of the construction industry in Hawaii.

We welcome your assistance and partnership to build a properly trained, qualified and expanded workforce to meet the demand for more skilled workers to develop and maintain privatized military housing and living facilities in Hawaii over the next half-century.

I also choose to speak for the untold thousands of young men and women who may yet enter our profession because of the career choices and many new opportunities our unionized construction industry has labored long and hard to attain, and that we may finally be able to offer them.

Last month, Hawaii's Job Summit with Congressman Neil Abercrombie estimated that the privatized housing contracts being awarded by the Army, Navy and Air Force in Hawaii will require more than 7,500 new skilled construction workers on top of the present labor pool in the marketplace.

Needless to say, expanding our members by forty percent over the next 5 to 10 years is going to put a tremendous strain on the resources of the local construction unions, who have always been the most reliable and productive sources of new workers for the industry.

It is the local trade unions who recruit most, train better, and place new carpenters, roofers, painters, operators, masons and members of a dozen other building trades in public and private-sector construction projects. And we've done this in the

numbers and quality and pay scales that meet the real-world conditions of Hawaii's building contractors.

In fact, finding and training new members is so important to the unionized industry, that both management and labor unions together have been administering joint trust funds for apprenticeship and journey training programs for over 40 years.

Because we are all quite aware of what's coming with the military, each and every construction union has already started, or developed contingencies, to increase their ranks to compete for and fulfill the requirements of Hawaii's military contracts.

The Hawaii Carpenters Union has already optioned a site at Barbers Point to create a free-standing, training center of our own to supplement our certified apprenticeship programs at the community colleges, and to increase our capacity to train more carpenters.

With more state-approved instructors in the pipeline, we also plan, in greater numbers at our training center, to upgrade our older members' skills in the particular carpentry specialties and technologies, such as metal framing, that we expect our signatory contractors will require for the upcoming military housing projects. Right now, we have more than 1,300 apprentices in our training program.

The Laborers International Union already has a similar free-standing training facility. About 100 laborer apprentices feed into the field for on-the-job training from this state-of-the-art training center in Pearl City.

The Operating Engineers Union has a spacious 30-acre site on Oahu's north shore at Kahuku. This training area enables their apprentices and journey operators to learn and practice driving of heavy construction equipment on private property that features the typical conditions of the job site.

The International Brotherhood of Electrical Workers trains over 200 apprentices at its own union hall in Kalihi, with an annual graduation rate of 92 percent. They have one of the most complete electricians training labs of the modern era.

On Oahu's central plain at Waipio, the two Iron Worker Locals maintain their own training center where their flexibility and years of experience enables them to consistently meet changing industry demands in an efficient and responsive manner.

My colleague here on the panel, Lynn Kinney of the Painters Union, has already increased his ranks by a third with about a hundred apprentices readily available to union painting contractors seeking work at new military housing projects.

The Hawaii Masons Union now has almost a quarter of its membership in apprenticeship training.

The Drywall Tapers and Finishers Union has increased its training program to about 180 apprentices out of a total membership of over 400.

The Plumbers and Fitters Union has an outstanding 97 percent retention rate for its training program, which now has more than 300 apprentices.

The stepped-up enrollment and instruction in anticipation of military housing contracts have been costly and time-consuming to unions, but we look upon them as investments in the futures of our members. The cost is great, but in today's circumstances, this necessary investment is crucial to unionized construction, no matter what the price!

So, we've paid the price to develop these training programs. Gone the extra mile to make them statewide through the community colleges. And complied with rigorous state-certified standards and criteria to ensure the best instruction and results.

In a typical year, the 17 construction unions in Hawaii have a total of about 2,500 apprentices enrolled in our apprenticeship programs. We could have the capacity to enroll more than 5,000 apprentices if all resources are put into play. Given the 3 to 4 year period it takes to graduate as journey trade men and women, we must optimize our capacity immediately!

The unions have far and away the most productive training programs in the state, and in reality there are no others that have the stability, the infrastructure and the potential to meet the increased demands of the military contractors.

We as unions realize we have a responsibility to anticipate the job market, and I believe we've done all we have so far in a sincere effort to keep the jobs generated by the new military housing at home. We've put forth to help our economy for everyone's benefit, and we want to do our part to improve the quality of life for military families who put their lives on the line for all of us.

I want to say personally that the construction trade unions have stepped up to the plate without any commitment or understanding from the designated awardees of the privatized military housing contracts that they will favor us with an agreement, or any other arrangement, that assures the most qualified construction workers in the state of participating in the coming windfall.

We feel our record speaks to the commitment and investment we have in our members, and to the future we seek of fairness and opportunity for coming generations of men and women in construction.

Thank you for your kind attention and interest in our concerns.

Senator INOUE. I thank you very much, Mr. Taketa.

STATEMENT OF LYNN KINNEY, PAINTERS, DECORATORS, PAPER-HANGERS AND ALLIED TRADERS, LOCAL 1791

Senator INOUE. Now may I call on Mr. Kinney.

Mr. KINNEY. Aloha. Thank you, Mr. Chair, Senator Akaka, and members of the Senate Appropriations Subcommittee for granting me the opportunity to testify in support of a Federal Government-labor partnership expanding programs for Hawaii's construction trade unions.

My name is Lynn Kinney. I am the Business Manager/Secretary-Treasurer of District Council 50 of the International Union of Painters and Allied Trades, but I am speaking today on behalf of the members of the 17 building and construction trade unions that are the backbone of residential construction in the State.

Our members are very concerned that the new construction workers needed to build more than \$3 billion in military homes may go to trades people from out of State. This may happen if contractors and subcontractors are unable or unwilling to hire Hawaii construction workers of significant numbers and training.

Given past experience, they will look to the mainland for workers who agree to move to Hawaii temporarily to work and then return to their home State after the projects are completed. Given the duration, scope and value of the prioritization contracts awarded by the Army, Navy and Air Force the consequences of thousands of nonresident workers taking these jobs would severely impair our standard of living and Hawaii's economic vitality.

To address this challenge, Hawaii trade unions have begun an aggressive coordinated campaign to improve and expand training programs in anticipation of this expansion in new construction.

As mentioned by brother Ron Taketa of the Hawaii Carpenters, unions and signatory contractors have invested their own trust funds in a number of new training facilities. The trade unions have enrolled hundreds of new apprentices into our ranks and we have hundreds more who have been wait listed for entry into our certified program. We have worked closely with the University of Hawaii Community College to make apprenticeship training as relevant and up-to-date as possible so graduates are competitive in the labor market place.

Any assistance from Washington to help train our qualified residents for military housing projects and increase the pool of workers available to contractors will be welcomed by the trade unions in Hawaii.

We would like to respectfully point out, Mr. Chair, that while many of us have already heavily invested resources in the recruitment and training of new members, we've also done so absolutely with no assistance of—no assurances of jobs at the end of this lengthy process.

We envision a separate entity to receive and consider all grants, applications with perhaps recommendations to an appropriate Federal agency for distribution. The compensation of this body should

be reflective of the unions, employers, military, and educators involved.

We strongly recommend that the State certified programs, with records of graduation success and longevity in the community, be with one qualified to apply for any grants.

With time of the essence to meet these project building timetables, this proposed Federal program should not be used for start-up in need or seed money of low output training and schools with little impact on the marketplace.

The colleges have become steadfast partners with the construction unions. We have been the primary source for training new recruits for the industry. We believe that the community colleges deserve a fair share of grants targeted to expand vocational training and workforce development initiatives for our entire construction industry.

We've also proposed that grants be made on a matching basis. A qualified program should be able to claim office overhead, salaries, facility rental or upkeep, materials, and other expenses associated with the expanded curriculum as the matching share.

Awards should be granted for instructional costs, such as teachers and classroom activities. Construction of new facilities or improvements to existing training facilities or offices should be disqualified.

The number of enrollees in our program should determine the size of the program's grant. The more trainees, the more training funds are needed. This, coupled with incremental payments contingent on progress reports of graduation rates over the course of the grant programs, will help us to ensure the responsible spending of tax dollars.

Mr. Chair, Hawaii's trade unions are grateful that area standard wages will apply to all projects in the military's privatized housing programs in Hawaii. Preference for small businesses and local hires also have been promised. Ultimately, though, we have only our own workforce development, superior training and vigilance of our congressional delegation to ensure that fairness and honor prevail in the marketplace.

PREPARED STATEMENT

The members of the Hawaii Building and Construction Trades Council join me in extending our gratitude to you for inviting us to testify before the subcommittee on issues of critical importance to our members. We look forward to being of any assistance to establish a partnership between the Federal Government and our industry to train and employ the next generation of workers, building union quality homes for military families and help to bolster our island economy.

Thank you for the time and it's an honor just to be able to speak with you.

[The statement follows:]

PREPARED STATEMENT OF LYNN KINNEY

Thank you, Mr. Chairman and members of the Senate Appropriations Subcommittee, for granting me the opportunity to testify in support of a federal government-labor partnership to expand training programs for Hawaii's construction trades.

I am the Business Manager/Secretary Treasurer of District Council 50, of the International Union of Painters and Allied Trades, but I am speaking today on behalf of the members of the state's 17 building and construction trade unions that are the backbone of residential construction in the state.

Our members are very concerned that the new construction workers needed to build more than \$3 billion in military homes may go to tradespeople from out-of-state. This may happen if contractors and subcontractors are unable or unwilling to hire Hawaii construction workers of sufficient numbers and training. Given past experience, they will look to the mainland for workers who agree to move to Hawaii temporarily to work and then return to their home states after the projects are completed.

Given the duration, scope, and value of the privatization contracts awarded by the Army, Navy, and Air Force, the consequences of thousands of non-resident workers taking these jobs would severely impair our standard of living and Hawaii's economic vitality. To address this challenge, Hawaii's trade unions have begun an aggressive, coordinated campaign to improve and expand training programs in anticipation of this expansion in new construction.

As mentioned by Brother Ron Taketa of the Hawaii Carpenters, unions and signatory contractors have invested their own trust funds in a number of new training facilities. The trade unions have enrolled hundreds of new apprentices into our ranks. And we have hundreds more who have been waitlisted for entry into our certified programs. We have worked closely with the University of Hawaii's Community Colleges to make apprenticeship training as relevant and up-to-date as possible so graduates are competitive in the labor marketplace.

Mr. Chairman, the promise of a federal program with funding to ensure that "the repair and reconstruction of military homes are undertaken by a qualified Hawaii workforce" is very exciting and gratifying to us. Any assistance from Washington to help train and qualify our residents for military housing projects and increase the pool of workers available to contractors would be welcomed by trade unions in Hawaii. We would like to respectfully point out, Mr. Chairman, that while many of us have already heavily invested resources in the recruitment and training of new members, we have done so with absolutely no assurance of jobs at the end of this lengthy process.

Permit me to offer the Building Trade Council's thoughts on the criteria for such a federal program that we feel would most benefit Hawaii residents seeking careers in construction; utilize the training infrastructure already in place; and enhance the fairness, quality, and efficiency such a program would offer.

We envision a separate entity to receive and consider all grant applications, with perhaps recommendations to an appropriate federal agency for disbursement. The composition of this body should be reflective of the unions, employers, military, and educators involved.

We strongly recommend that state-certified training programs with a record of graduation success and longevity in the community be the only ones qualified to apply for any grants. With time of the essence to meet projected building timetables, this proposed federal program should not be used for start-ups in need of seed money or low-output training schools with little impact on the marketplace.

The building trades departments of the state's Community Colleges are the best source of qualified instructors, facilities, and administrators with the knowledge and experience to support expanded training curricula. The colleges have become steadfast partners with construction unions, and have been the primary source for trained new recruits for the industry. We believe the Community Colleges deserve a fair share of grants targeted to expand vocational training and workforce development initiatives for the entire construction industry.

We also propose that grants be made on a matching basis. A qualified program should be able to claim office overhead and salaries, facilities rental or upkeep, materials, and other expenses associated with its expanded curriculum as the matching share.

Awards should be granted for instructional costs only, such as teachers and classroom activities. Construction of new facilities or improvements to existing training facilities or offices should be disqualified.

The number of enrollees in a program should determine the size of that program's grant. The more trainees, the more training funds are needed. This, coupled with incremental payments contingent on progress reports and graduation rates over the course of the grant program, will help to ensure the responsible spending of tax dollars.

Mr. Chairman, Hawaii's trade unions are grateful that area standard wages will apply to all projects in the military's privatized housing programs in Hawaii. Preferences for small businesses and local hiring have also been promised. Ultimately,

though, we have only our own workforce development, superior training, and vigilance of our Congressional delegation to ensure that fairness and honor prevail in the marketplace.

The members of the Hawaii Building Trades Council join me in extending our gratitude to you for inviting us to testify before the subcommittee on issues of critical importance to our members. We look forward to being of any assistance in establishing a partnership between the federal government and our industry to train and employ the next generation of workers, build union-quality homes for military families, and help to bolster our island economy.

Thank you.

Senator INOUE. I thank you very much, Mr. Kinney.

I'd like to thank all of you for having a positive approach to the oncoming onslaught of jobs. With that gratitude, may I assure you that your congressional delegation will do everything possible, our utmost, in making certain that the jobs go to the people of Hawaii. And we've done that in the past and we'll continue to do that. After all, we didn't exert ourselves in Congress to get projects and have others take over. We want homegrown workers, homegrown talent, and we're going to do that.

Mr. Lau, when you brought up gamers, it reminded me of my days of youth when we were all required to take carpentry. That was part of the curriculum. And the little girls had to go to homemaking classes. That was required. But now I suppose carpentry and homemaking is not that important, but I think the Department of Education should maybe have courses such as that available for our youngsters. Because, even to this day, I do my own carpentry at home. It can be done.

I want to thank all of you for this positive attitude you have. Working together with you, we'll meet the challenge. I'm certain of that.

Senator Akaka.

Senator AKAKA. I want to thank you, Mr. Chairman, for having this hearing. And I want to thank our witnesses for their tremendous effort to take care of this impending problem that's good for Hawaii. But what is evident here is that a model is being set up here with the community, with the colleges, and the schools, all to meet this challenge that will be facing us in about 7 to 10 years. So I want to commend all of you for being part of this.

You heard our chairman of our delegation speak for us that we will be there to help in this effort. So all together, let's i mua and move forward. Thank you.

Senator INOUE. Thank you very much.

ADDITIONAL SUBMITTED STATEMENTS

Before we adjourn, I'd like to announce that we have received much testimony and, without objection, the testimony will be made part of the record. We have received testimony from Sheet Metal Workers Union Local 293, Plumbers & Fitters Local 675, Pacific Resource Partnership, Glaziers Architectural and Glass Metal Workers Local 1889, Carpet Linoleum & Soft Tile Local Union 1926, Drywall Tapers & Finishers Local Union 1944, Iron Workers Local 625 and Ironworkers Shopmen Local 803, International Union of the Elevator Contractors Local 126.

We've received testimony from Representative Scott Nishimoto, Ms. Lynn Watanabe representing America's Promise Hawaii, and Colonel Edward Patrick of Joint Venture Education Forum.

I'm pleased to announce that the record of this hearing will be kept open for 2 additional weeks. If you want to submit testimony during that period, please do so. If you have any addendum or corrections to make, you have 2 weeks to do so.

[The statements follow:]

PREPARED STATEMENT OF GLAZIERS ARCHITECTURAL AND GLASS METAL WORKERS
LOCAL 1889, AFL-CIO

Mahalo Senator Inouye, Chairman, and the U.S. Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education for giving me this opportunity to testify in behalf of the working men and women of the state of Hawaii, as we deal for the upcoming privatization of military family housing.

Senator Inouye, my name is Richard Taggere and I am the Business Representative for the Glaziers Architectural and Glass Metal Workers Local 1889, AFL-CIO. I have been acting in this capacity for well over twenty years and feel that my experience in our industry will allow me to give you an accurate picture regarding our upcoming labor demands.

Mr. Chairman, while our Local Union is one of the smaller ones in the Hawaii Building and Construction Trades, we are nonetheless gearing up for what we believe will be one of the most demanding times in the history of construction in the State of Hawaii. Our apprenticeship program has recently initiated a new class of apprentices, one which has the potential to increase our total membership by upwards of 50 percent. We believe that these numbers, when added to our current membership as well as those members who had previously left our union and are now returning, will be more than sufficient to meet the anticipated demand for qualified trades people.

When our industry went through an almost decade long economic slide, many of our members were forced to seek work elsewhere or in other industries. Now that there appears to be a need for qualified trades people, we are seeing an increase in the numbers of people rejoining our union. Our training program has anticipated this influx and we are ready, willing and able to offer these ex-members, retraining programs which will get them up to speed and ready for work on these federal military housing projects.

Our training programs, employers and the union is fully committed to making ourselves ready for the upcoming labor demand. We have committed resources in this area and we are equally excited in the potential to have matching federal dollars earmarked for these efforts. We would respectfully request that such matching federal moneys be made available to all qualified programs, those which have established clear benchmarks for success and graduation. Past practice and success should play a large role in determining which programs should be entitled to very valuable tax dollars.

Mr. Chairman, our relationship with the community college has been extremely important in the success of our programs. We would ask that this relationship be continued and even fostered by offering some of these funds to be made available for community college requirements as they relate to the construction industry.

Mahalo for giving us this opportunity to testify on this extremely important subject.

PREPARED STATEMENT OF THE HAWAII BUILDING AND CONSTRUCTION TRADES
COUNCIL

Honorable Senators: My name is Buzz Hong, and I currently serve as the Executive Director to the Hawaii Building and Construction Trades Council (HBCTC). The HBCTC includes unionized trade workers from fourteen different crafts throughout the State of Hawaii. When combined, the HBCTC totals more than 20,000 men and women in the building and construction industry. The foregoing testimony is submitted for your consideration in strong support of your efforts to promote and improve the Hawaii trades training programs to meet the demands brought about by numerous upcoming military and recently privatized construction projects.

Given the recent news that the demand for a highly skilled workforce in Hawaii is likely to catapult, Hawaii's trade unions and their training programs are gearing

up to meet said demand. The work of this committee and its efforts to provide greater resources could not have come at a better time. In order to meet these demands, funding must be made available to those programs that have shown that they can produce the needed workforce. The training programs of Hawaii's Trades have also been the leaders in assuring that the skill of their members and those in the trades are at the highest level. The programs have already developed the needed curriculum and guidance to assure that workers are ready to enter the construction industry. Union trained workers are among the most productive and most desired by Hawaii's construction industry. The increased funding you seek will go a long way to enhancing these programs and building the needed capacity to provide the skilled workforce that will be needed in the immediate months and years to come.

The HBCTC also strongly supports our Community College system as a means of promoting new and enhanced partnerships to meet the upcoming demands. Unfortunately, given many budgetary constraints, resources to keep current programs alive has been extremely limited. As such, the HBCTC would strongly support your efforts to promote the growth of partnerships between the unions' training programs and the Community Colleges. The importance of the partnerships for this funding is emphasized so that some assurance can be given that the purpose for which this funding is being made available is in fact carried out. Said partnerships will also provide safeguards to assure that a skilled workforce will be available as the demands on the construction industry increase.

Finally, I would like to ask for your support in the use of a Project Labor Agreement (PLA) on many, if not all of the projects that will soon be released. The use of a PLA has had a long history of proving to be a key to projects being completed on time and within budget. Moreover, because of the very nature of the relationship that is created between a particular project and the trade unions on the job, projects subject to a PLA have also consistently proven to be completed at the highest quality. The efforts you make today to bring about funding for training in the construction industry must be coupled with your efforts to insist on the use of a PLA. In the end, it will be those men and women who benefit from the increased capacity in training that will be on the jobs and continue to benefit under the provisions of a PLA.

Thank for your consideration and support of Hawaii's building and construction industry.

PREPARED STATEMENT OF THE LABORERS' UNION, LOCAL 368

Honorable Senators: Thank you for allowing me this opportunity to present testimony in support of your efforts to provide funding to Hawaii's Trades Training Programs. The Laborers' Union currently represents over four thousand (4,000) men and women working in Hawaii's building and construction industry. To meet the ever changing needs of our industry, our Union has been providing classroom, simulated exercises and on the job training for over thirty (30) years. To that end, we are constantly evaluating the needs of our industry and our signatory contractors so as to assure that we are ready and able to provide the needed skilled workforce as changing demands grow.

As you may already know, organized labor has long since been a pioneer in the area of best preparing and training the workforce needed to meet the demands of construction innovation and growth. Given that, it makes perfect sense that when a sudden demand for a skilled workforce is expected, improvements and enhancements in union training programs stand in the best position to provide the needed response. As monies become available to carry out this objective, it should in fact be training programs that have proven to be ready and capable to provide the needed training that should be supported. Training programs like ours have spent significant resources on infrastructure and training materials to assure that our members are not only the highest skilled workforce, but also the safest. Only through the combining of these programs and new funding, will programs be allowed to move to the next level of preparedness as demand grows for a skilled workforce. Union training programs demonstrate their commitment every day by continuing to provide much needed training incorporating technological advances and changing worksite demands. As such, I strongly support your efforts to make new resources available and strongly urge you to recognize those programs that have proven their success, be the same programs that be allowed to grow to meet your objective and the community demands.

The Laborers' Union also supports the long standing relationships that exist between many union training programs and the Community Colleges. I believe that new and stronger partnerships should be supported to help meet the needs of our

industry. The Community Colleges stand in the unique position to evaluate the industry from a global perspective in which it is able to identify and promote training among many crafts. Moreover, the Community Colleges also help to serve as a clearing house for those types of skills that are universal to all crafts. However, support in the form of funding to the Community Colleges must come with a commitment and clearly defined objective. Mandating of said partnerships will help to direct that the resources will be utilized towards the underlying mission of this committee to provide greater opportunity for training in the construction industry. Thus, I would strongly support funding to our Community Colleges in an effort to help enhance and create new partnerships for growth in Hawaii's construction industry.

On a final note, I would strongly urge this committee to safeguard the use of funding that may become available towards truly creating greater training opportunity. Money that is provided through your efforts should not be used as a means of building new facilities. Rather, training programs that seek assistance from these limited resources should already have access to classroom space or facilities that are dedicated to this purpose. As demand grows, an appropriate use of new monies would clearly be increasing use of instructors or acquisition of needed materials or training tools. The Laborers are proud of the commitment it has made in the recent construction of a state of the art facility dedicated solely to the purpose of training. Given that, like many other trade unions having made the same commitment and investment to this industry, resources that now become available should be used to enhance our preparedness, and not be used to develop it from the ground up.

Thank you for your consideration and allowing me this time to present these issues.

PREPARED STATEMENT OF THE HAWAII OPERATING ENGINEERS J.A.C.

Honorable Senators: At the outset, I would like to take this opportunity to thank the members of the committee for convening this distinguished panel to address the Hawaii Trades Training Programs. The Operating Engineers, Local 3 represents 3,000 trade workers in the Hawaii Construction Industry. Because of the highly skilled nature of our members, our commitment to training continues to be unwavering. Our training program stands ready to meet the needs of the growing demand of our industry as an increase in work opportunity comes on line. To that end, the Operating Engineers strongly support the efforts of this committee to provide funding that will help improve the construction industry's position as a whole in preparing for an urgent demand of a skilled workforce.

The first issue that I would ask this committee to consider is where funding would best be put to work when made available. Given the goal of this committee to provide funding to training programs best in the position to meet the upcoming demand, the first criteria for funding must be that training programs must already be well established. Union training programs have a long history of providing training to unskilled workers, and providing skills improvement as technology changes. Given that the demands on our industry are going to be sudden, the programs that will be able to respond to the needs are those that already know how to evaluate said needs, and those that already have the capacity to deliver meaningful training. In many ways, our record on training speaks for itself. We have graduated a countless number of journey workers through our program. More importantly, we work closely with contractors and other trades to assure that the training that we provide is relevant. Like many trade union training programs, we already have the capacity, and more importantly, we already have the skills needed and facilities to meet the demand. Additional funding will assist all of us in better preparing to meet increasing demands by elevating our program to manage the higher volume of those entering the industry. We strongly support your efforts for additional funding to programs that will best be able to carry out the objective of meeting increased demands on training needs.

The second issue that I would ask this committee to consider is promotion of our Community College system as a means of carrying out this goal. The Community Colleges are uniquely able to provide training to multiple industries. Furthermore, facilities are already in place that could be used to address classrooms needed to provide additional instruction on the curriculum already in place by our programs. However, we would further submit that both the union training program and the Community Colleges be mandated to engage in partnerships with a view towards earmarking resources for its intended purpose. Said partnership relationships will accomplish two goals. First, it will safeguard the integrity of program dollars by narrowing the use of same for the dedicated purpose of construction industry training. Second, partnering arrangements will also serve to set goals, objectives and

benchmarks for those who will not only benefit from the arrangement, but who will have a stake in the outcome. Thus, we would support the use of the alliances that already exist in carrying the work of this committee.

Finally, the Operating Engineers believe that this committee must take under its wing the responsibility to assure that projects which will flow from the Department of Defense in the State of Hawaii, be released with a mandate for use of the Project Labor Agreement. If the goal of this committee is ultimately to assure that the projects that are coming to Hawaii can be completed smoothly, one component that must be in place is some assurance that the project will be completed on time and within budget. Should the ultimate procurement be released with this mandate, there will no doubt be a disconnect between where the benefit of training dollars will end up and the skilled workforce that will be in position to perform the work on these projects. As in the past, training, labor harmony, on time completion and quality work are just a few of the hallmark issues addressed in Project Labor Agreements mandated on large scale construction projects. Thus, we strongly ask that this committee carefully look at this, and all the issues discussed herein, as we move forward in commencing this journey together.

Thank for your consideration and support of Hawaii's building and construction industry.

PREPARED STATEMENT OF THE INTERNATIONAL ASSOCIATION OF HEAT & FROST
INSULATORS & ASBESTOS WORKERS LOCAL 132, HAWAII

Thank you for the opportunity of letting me share this testimony with this very important Senate subcommittee.

This is a very exciting time for our membership. After years of an economic slowdown, I finally have good news for our members and their families. Finally, the construction industry is back again.

For our union, it isn't just the projected upcoming military housing work. We are just as excited about the high-rise condominiums planned for central Honolulu and the redevelopment of Waikiki. This will provide scores of work opportunities for our members that have not been there for the past 10 years.

Because of this anticipated work, our union has been working with our contractors to increase the number of apprentices going through our certified training program. We remain committed to providing an adequate supply of trained insulation mechanics with the competitive skills necessary to meet the industry needs now and in the future.

Our program is structured for entry-level workers, as well as for insulation workers already employed within the industry who wish to upgrade their skills and to advance to journeyman status. Our apprenticeship program emphasizes on-the-job training and classroom instruction, as well as the use of textbooks and other course materials that give participants a thorough knowledge of the trade.

I will admit it has not been easy to attract new individuals into our industry. Construction is hard work, and most jobsites are not what one would expect. But what separates a union construction site from a nonunion one are many factors: Overall safety, qualified workforce, above-board training and fair wages and benefits. The fact is any union jobsite trumps the nonunion in all of these instances.

Unlike our apprenticeship program, the nonunion Associated Builders and Contractors (ABC) Hawaii is like a brittle shell without an inside. As far as I know, since the ABC training program's inception here in Hawaii years ago, not one insulation mechanic has graduated from the program as a journeyman. This is in direct contrast to the high success rate of our union's apprenticeship program, where upon completion, apprentices must take an examination to demonstrate their mastery of the knowledge and skills they've been taught. Passage of this test is necessary to obtain journeyman status.

The other big advantage our union's training program has over others such as the ABC is our partnership with the community college system and our contractors. Our classes are monitored jointly by management and labor to ensure that standards are met given the technological needs of our industry. Many of our instructors have gone through the apprenticeship program themselves, and are foremen or superintendents out in the field. Our apprentices learn on the job—there is opportunity for them to learn because our employers are true partners in the program.

What is the proof of the success of our union's apprenticeship program? All of the medium to large public and commercial construction projects in recent memory have been worked on by members of Local 132. It is an outstanding track record that I think everyone involved—from contractors and members to the community college and the state and federal labor departments—can be extremely proud of.

Our union has a proud legacy of providing experienced and highly trained insulation mechanics to the state's construction industry. Our members have paid their dues and have given back to the community with their expertise and skills. All we are asking for is the continuation of these standards so that we may meet the anticipated needs of the work that is in front of us.

Through your assistance, through a criteria that takes into account track record and commitment by each individual training program, we can carry on with our mission in building a Hawaii that all of its residents can be proud.

PREPARED STATEMENT OF THE BRICKLAYERS & CERAMIC TILE SETTERS LOCAL 1 AND
PLASTERERS' & CEMENT MASONS' LOCAL 630

I am Nolan Moriwaki, Business Manager, speaking on behalf of 1,300 craftworkers in the Cement Finishing, Masonry, Plastering and Ceramic Tile Setting Trades. We look forward to the much anticipated construction work from the Federal, State and private sectors. We are glad to hear that the large influx of funds to provide good housing for our military families may bring with it financial support for the training of needed craftworkers.

Steps must be taken to ensure that the job gets done, but also that Hawaii's people receive the maximum benefit of both construction funds and training funds. I will outline our efforts along these lines, but would like to stress that anyone granted Federal training funds should be held accountable for their effective use. We also stress that training funds must not be used to throw Hawaii residents into a pool of cheaper and cheaper labor, and in turn lower the standard of living in our State.

Our training program is prepared for accountability, to undergo compliance monitoring and be held to production standards when utilizing Federal funds. Such a system should be devised and applied to all training organizations. We are prepared to put our track record on the line from the day in 1958 when our Apprenticeship program was recognized by the State Department of Labor and Industrial Relations, through it's years of development. We are proud of our thorough curriculum ranging from basics to specialization and new technology for Journeypersons, to supervision and productivity. We prepare workers for national certification through the Association of the Wall and Ceilings Industry and the American Concrete Institute. Our Apprentices have always scored high in International competitions.

We have looked ahead and expended resources to gear up for the increased demand for craftworkers, and any financial support will mesh well for a faster, larger and most effective impact. We would expect to provide matching funds and in-kind services that will leverage any Federal monies that become available. The Hawaii Masons Training Program operates its own training facility on Sand Island, and is negotiating for another site. This has proven to be of great importance was Community College funds and space have been stretched to their limits.

In addition to providing upgrade training for our Journeypersons, we currently have 301 Apprentices enrolled, and in the year 2003 elevated 120 participants through a pre-apprenticeship program. We have actively recruited trainees, and have an additional waiting list of 440.

We not only train our Hawaii residents for skill and productivity, but for a safe and long career in the construction industry. Every training program should do that. However, working safely and enjoying a decent standard of living depends most on terms and conditions on the job. Collective Bargaining Agreements or Project Labor Agreements covering the jobs for trained residents, would define the wages and conditions they will receive for their skilled labor, and therefore whether or not the training will make life better for our people.

In the case of work injuries and deaths, statistics show that such agreements significantly reduce incidents on construction sites. As for wages and Hawaii's standards, training funds should not, consistent with the principles of the Davis-Bacon Act, serve to pull area standards down. In Hawaii, training for jobs covered by a Collective Bargaining Agreement or Project Labor Agreement is the clearest way to assure that our tax dollars and union investments in training do not work against us in the long run.

Please consider our testimony to devise an implementation plan to maximize the benefits to Hawaii's people from craft training funds, and from military and other Federal construction projects. Thank you for this opportunity to submit testimony.

PREPARED STATEMENT OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS, LOCAL 1186, HAWAII

On behalf of the more than 1,100 construction electricians and 125 signatory contractors of IBEW Local 1186, I would like to thank the committee for this opportunity to testify on this very important issue of a qualified construction workforce to meet the demands of upcoming federal and private work in the state of Hawaii.

Anticipating the positive need for a qualified workforce, Local 1186 also has increased its recruitment of apprentices and training classes including for cable splicing and line personnel. Since taking office a year-and-a-half ago, our administration and training program has indentured more apprentices during that time than in the previous 10 years—directly due to the anticipated work outlook and a commitment by our staff and signatory contractors to have the most qualified and readily available workforce in the state. We are constantly recruiting in all levels of the community—including at the schools—and our membership's ethnic and gender diversity is a testament to the kind of a program our management and labor trustees are running.

Local 1186 has historically been at the forefront when it comes to apprenticeship and journeyman upgrade training. Our training fund—which is jointly administered by an equal number of contractor and union trustees—has invested in an impressive amount of independent facilities, classrooms and warehouse laboratory space for such classes as house wiring and welding. We have never hesitated to put forth the funding for what we believe is important and beneficial to both the union's membership and the employers.

We also believe that any kind of minimum qualification to obtain Federal funding for these kinds of training programs should contain some similar form of "investment" on the applicant's part, whether up-front funding or matching funding. Whatever funding is available must not be thrown haphazard at a program that does not have a proven track record or to be used to start a program as "seed" money. There should also be some kind of compliance monitoring for whatever programs receive this "taxpayer" funding.

Working so closely in a labor/management partnership with our contractors has many advantages. In fact, it is not a stretch to say that the training we offer is enhanced because of the input we receive from our management trustees and the combination of our on-the-job instruction and in-class schoolwork. For the record, the Joint Apprenticeship and Training Committee (JATC) of the Hawaii Electricians Training Fund requires indentured apprentices to take five years of related instruction and 10,000 hours of on-the-job training. During the term of their program—with an emphasis on safety, state licensing standards and certification—the apprentices will take everything from CPR/First Aid to Blood borne Pathogens and OSHA 500.

The continued effort to elevate the level of awareness in safety and new technologies is supported in our journeyman training as well. The ever-evolving electrical industry constitutes a vigilant effort when it comes to training. Programs such as fire alarm, blueprint reading, conduit bending, house wiring, transformers, Cat 5 and fiber optics termination help to sharpen and hone the skill of the licensed journeyman electrician. As an established training program that already offers such classes, our management/labor JATC would welcome any assistance from the Federal government to help us with an expanded need for additional equipment and basic instructional costs.

Here are more examples of classes created through the input and partnership with our contractors: Specific courses such as Hazard Waste Operation and Emergency Response (HAZWOPER), trenching and excavation, fall protection, scaffold user safety, asbestos and lead awareness training further the knowledge of an IBEW/ECAH (Electrical Contractors Association of Hawaii)-trained electrician.

The electrical industry encompasses a unique position in everyone's life, and it is often taken for granted until something causes a disruption or failure. Because of the dangerous nature of electricity and potential for fire, damage to property or injury or loss of life, the National Electrical Codes (NEC) and the Telecommunications Wiring Standards are the minimum guidelines that are used as a proper application of this dangerous craft. But even that is not enough. Proper training through curriculum of theory, practical experience through on-the-job training and continuing education and safety helps to raise awareness and minimize any potential catastrophe.

Our JATC is a complete training entity. It aggressively promotes and trains our members with the knowledge of the NEC and serves to provide the electrician with the updated information necessary to install and construct properly the required work, as well as, providing the public a safe and sound environment.

With the help of this very important committee, and by continuing to work effectively with the state's community colleges and state and federal labor agencies, we intend to maintain this proud legacy we call IBEW Local 1186.

PREPARED STATEMENT OF THE BOILERMAKERS, IRON SHIPBUILDERS UNION, LOCAL 204

Members of the committee, I would like to thank you in advance for this opportunity to submit this testimony on behalf of myself and the members and contractors of Boilermakers, Iron Shipbuilders Union, Local 204, Hawaii.

This is truly an exciting time for our membership. Thanks in part to Congress and its decision to privatize the construction and maintenance of military housing in Hawaii, our trade industry is anticipating a dramatic and promising need for thousands of skilled workers in the next 10 years. In addition to the above, our contractors are also anticipating the construction of several much-needed sewage treatment facilities and energy cogeneration plants that will be built on Oahu during this time.

To meet this demand for a local, qualified workforce, we have been actively working with our major contractors to recruit new members into our union and its training program. One in particular, Hawaiian Dredging Construction Co., has been especially helpful in this regard. We also have been working with our signatory contractors to upgrade our classroom and hands-on instruction to keep up with the constantly changing technology in our industry. We feel we have been very successful in this regard, and our commitment to increase the number of members coming into our program has occurred at unprecedented levels for this particular local because our industry had been mired in a slump for so long.

One of the reasons why we felt it was important to ramp up our apprenticeship program is because of the positive feedback we constantly receive from our contractors and their employers. They understand that when they hire a union contractor to do the work, their workers—our members—are highly trained and highly qualified. We've been told they do the work effectively and in a lot less time as compared to nonunion contractors.

This reality is contrasted by that of the nonunion ABC (Associated Builders and Contractors), whose training program here in Hawaii is documented as having an absolutely woeful graduation rate. From July 1995, the nonunion ABC trades as a whole in Hawaii had 208 total registered apprentices with only 46 graduated (based on an October 2003 study conducted by the Building and Construction Trades Department of the AFL-CIO).

For an association that constantly boasts that it graduates tens of thousands of construction apprentices through ABC-registered programs, this amount of 46 total graduates in the entire state of Hawaii over a 10-year period paints a pretty sorry picture about the state of ABC's training program here.

And just where are these so-called 46 graduates? I would be willing to bet that they are working for our unionized contractors after attending much-needed journeyman upgrade courses offered by union training programs.

I've been in this business for more than 20 years now, and I honestly believe that the ABC does not adequately fund or is committed to their so-called apprenticeship program. They never have, and it is my belief that they never will.

With that said, the members and contractors of Local 204 look forward to continue working with Honolulu Community College, the state Department of Labor, and Al Valles of the federal Bureau of Apprenticeship & Training in furthering what has been a very successful and necessary training partnership for our industry.

PREPARED STATEMENT OF THE ROOFERS, WATERPROOFERS & ALLIED WORKERS
UNITED UNION OF ROOFERS, LOCAL 221

Honorable Subcommittee Members: I am pleased to submit this testimony on behalf of the Roofers Union, Local 221 on the issue of increasing trades programs to meet the anticipated demand for skilled workers as a result of the military's residential privatization program in Hawaii, and the prospect of federal funds being made available to assist in the effort to enhance training programs to meet that need.

The Roofers Union has had a State Department of Labor certified apprenticeship program in place for the past three decades, with more than a hundred apprentices enrolled in the program at Honolulu Community College at this time. While our Apprenticeship and Training Trust Fund is fully funded, any assistance through fed-

eral grants will surely enhance our ability to meet the anticipated increased demand for skilled workers in the next five years.

Due to budget constraints, although the state subsidizes apprenticeship instructor costs, any expense related to journeyman upgrading must now be borne totally by our Training Trust Fund. While we are willing and prepared to fund these additional training expenses, it will no doubt impact our existing resources.

Realizing the limited funding potential from federal dollars, we suggest that any federal grants be restricted to state certified programs where requests can be made by programs with a proven record of successfully training and graduating skilled workers. With limited resources, we do not feel that funding untried or speculative training programs is a prudent way of managing federal dollars.

We also feel that grant amounts should depend on the willingness of certified training programs to put forth additional matching funds to build on already successful programs, and further, that these grants be limited to subsidize instructor costs rather than paying for facilities, material or equipment, which should be the sole responsibility of the existing training programs.

Finally, so as not to waste training fund and federal resources, we feel that Project Labor Agreements (PLA's) should be entered into by the developers, contractors and worker organizations involved in these privatized projects. This is the only way to insure that training and/or grant money will be fully utilized for the upcoming work for which it was intended.

Thank you for allowing our organization to submit testimony on the critical issue of enhanced skills training as it relates to the upcoming military residential projects.

PREPARED STATEMENT OF THE UNITED ASSOCIATION OF PLUMBERS AND FITTERS
LOCAL 675

The plumbers and fitters apprentice program maintained by PAMCAH-UA Local 675 Training Fund is the premier training program for apprentice plumbers, AC-refrigeration, steam fitter and fire sprinkler fitters bar none. We maintain virtually the only plumber, AC-refrigeration, steam fitter and fire sprinkler fitter apprentice program approved by state and federal labor agencies which consistently produces license and certified graduating journeymen year after year.

Our joint apprentice and training committee maintains the highest curriculum standards and a training facility that is dedicated to provide mechanical contractors throughout the state with a continuous supply of apprentices learning the skills of the trade and who are drug free. This apprentice program is needed to continue the propagation of quality construction in Hawaii for all to enjoy and be proud of.

The plumbers and fitters apprentice program has relied upon the State of Hawaii Community College system as a co-partner to aid in the classroom experiences for our apprentices which provides essential intellectual exposure to concepts that must be learned by our apprentices. There is no question that the amount of information absorbed by the apprentice in the classroom is directly related to the dedication and ability of the teacher to communicate instructional material to the apprentice.

In this area funding, should be provided to with the goal to maintain quality instructional programs and to hire qualified instructors. Qualified teachers will pass along important trade concepts that apprentices must learn before they become journeymen.

To efficiently use any monies that may be granted for use by bona fide apprentice programs, we suggest that safeguards be built into federal grants to allow apprenticeship programs such as the one maintained by PAMCAH-UA LOCAL 675 Training, some input into how the monies are to be spent as a partner with the Community College system so as to maximize integration with the plumbers and fitters apprentice program and other like programs. Agents appointed to run the Community Colleges should not have exclusivity to the funds so as to permit the funds to be used for activities other than for those activities that have a direct benefit to qualified apprentice programs.

Monies should be spent for instructional purposes for the training of apprentices and journeymen to maintain and upgrade their skills, through programs that have a proven record of success. Monies should not be spent on the support of programs who have no, or an insignificant, graduation track record.

PAMCAH-UA LOCAL 675 Training is aware of the future needs for skilled labor on upcoming federal PLA projects to be constructed in Hawaii. I know that the federal government is interested in the quality of the skilled labor in Hawaii of which training is an integral part. The investment into qualified apprentice programs is most certainly not a waste of funds.

PREPARED STATEMENT OF SCOTT Y. NISHIMOTO, STATE OF HAWAII REPRESENTATIVE,
DISTRICT 21

Good Morning Chairman and Members of the Committee: My name is Scott Nishimoto and I serve as State Representative for the 21st District of Hawaii. I am in strong support of the Native Hawaiian Education Act, and thank you for this opportunity to testify on its behalf.

Through Senator Inouye's Joint Venture Education Forum, the State and private funding, Hawaii 3R's benefits Hawaii's public school facilities. This innovative grant program has awarded over \$2.3 million for 72 projects—completing \$5.7 million worth of projects since August 2001, reducing the approximate \$640 million repair and maintenance backlog to about \$450 million.

Through the commitment of Hawaii 3R's, two schools in my district, Kaimuki High and Jefferson Elementary, received grant monies for much needed repairs and maintenance. On Saturday, March 29, 2003, we painted various buildings and replaced several termite-ridden windows, thus beautifying Kaimuki High School's campus. On Saturday, July 19, 2003, Jefferson Elementary's playcourt was resurfaced. These projects brought together state agencies, businesses, community leaders, parents, teachers and students to tackle one unified goal—improving the school's facilities for our children. The collaborative efforts shown by community members prove that we are willing and ready to roll up our sleeves and tackle tough challenges. I am thankful for the hard work Hawaii 3R's has done to ensure the future prosperity and success of Jefferson Elementary and Kaimuki High and its students.

A lot has been done, but there is still a lot to do. The impact of the federal dollars has been felt statewide and will continue to help the schools that need it most. The Native Hawaiian Education Act, if passed will appropriate \$1 million for renovation and maintenance of schools with 25 percent or more Native Hawaiian students. There are 122 schools that have the potential to receive grants from Hawaii 3R's.

Thank you for your unwavering support of public schools through Hawaii 3R's. I hope that with your help, we can continue to strive to provide our youth with the learning environment they so deserve.

PREPARED STATEMENT OF THE PACIFIC RESOURCE PARTNERSHIP

Aloha, Chair Senator Inouye and members of the Senate Appropriations Subcommittee. My name is James C. Pacopac, Legislative Liaison, representing the Pacific Resource Partnership, a Market Recovery Program of the Hawaii Carpenters Union and its 250 signatory Union Contractors.

As a Labor/Management organization we feel that your assistance and partnership is essential in building a properly trained, qualified and expanded workforce to meet the demand for more skilled workers to develop and maintain the privatized military housing and living facilities in Hawaii over the next 50 years.

Our joint labor/management trust funds for apprenticeship and journeyman training program has been in operation for over 40 years and with the anticipated needed expansion for more than 7,500 new skilled construction workers over the next 5 to 10 years we have already started and developed contingencies to meet the demand of the privatized housing contracts.

The Hawaii Carpenters Union has already optioned a site at Barbers Point to create a free-standing, training center of our own to supplement our certified apprenticeship programs at the community colleges, and to increase our capacity to train more carpenters. We presently have over 1,300 apprentices in our program. With more state-approved instructors, we can upgrade our older members' skills in the particular carpentry specialties and technologies, such as metal framing which our contractors will require for the upcoming military housing projects.

We have realized our responsibility to anticipate the job market, and will continually do our part in a sincere effort to keep these jobs generated by the new military housing in Hawaii.

Our record has always spoken to the commitment and investment we have in our union members, our union contractors, and to the efforts of keeping jobs for the local workers. We thank you for any assistance that you can give to the men and women in construction of Hawaii, and look forward to a bright future. Aloha.

PREPARED STATEMENT OF AMERICAS PROMISE HAWAII

Honorable Chair and Members of the Committee: I have been involved in Hawaii 3R's since its inception. I've seen how it is able to gather community together

around a school and get a job done. I believe community involvement in public schools is an essential element to their improvement and to the success and well being of our children. When kids see other people, whether they are relatives, friends or community members, caring about them enough to come and work on a weekend to fix their school it makes an impression. By example they learn to care about and participate in their own community.

Not only is Hawaii 3R's a terrific community partnering exercise but it actually shows concrete success in the number of schools it has improved. Jobs that would not have been addressed due to the huge backlog of repair and maintenance in the DOE have been completed under 3R's and DAGS leadership because of volunteers, donations and state and federal subsidies. As of February 1, 2004, 59 schools have completed repair and maintenance jobs. Work that would have cost the State more than \$5.7 million was completed by 3R's for \$2.3 million.

One of the reasons for the success of this effort is the cooperation and good working relationship between the State Department of Accounting and General Services and H3R's. A great amount of trust and cohesive effort exists between the two groups to make sure the schools get repaired and improved. It is an excellent example of public and private partnerships working well together to benefit our citizens and in this case it involves them as well.

Since many of the State's public school's enrollment includes over 25 percent Hawaiian children use of the Native Hawaiian Education Act funds to support the repair and maintenance of public schools is an effective way to reach Native Hawaiian children.

Not only are their learning environment's improved but their sense of community and opportunities for community involvement are enhanced.

Thank you for your support of this effective community/State effort to improve Hawaii's public schools for all children.

PREPARED STATEMENT OF THE JOINT VENTURE EDUCATION FORUM

As cochair of the Joint Venture Education Forum, I would like to take this opportunity to provide you with information about a very worthy enterprise being undertaken on behalf of the public schools here in Hawaii. Hawaii 3R's is a winning combination of State and Federal funds, community organizations, businesses, local contractors and the "sweat equity" of thousands of volunteers who give our schools new coats of paint, new landscaping, and lots of minor repairs to facilities that would otherwise be ignored in deference to "higher" priorities.

The Joint Venture Education Forum (JVEF) has been a willing and eager supporter of this effort. We contributed \$100K in fiscal year 2001, \$600K in fiscal year 2002 and \$1M for fiscal year 2003 and 2004. Through the JVEF, we have also encouraged our 140+ military-school partnerships to sponsor H3R's projects for their schools. In the most spectacular example, nearly 200 volunteers (most from the military community) showed up to spruce up Pearl Harbor Kai Elementary School on August 10, 2002.

The JVEF enthusiastically backs H3R's because it has a proven track record and gets our military involved with the local community. Moreover, H3R's gives everyone a sense of pride in the schools that our children attend. It is clearly "the right thing to do."

Thank you for this opportunity to present this testimony to you.

PREPARED STATEMENT OF THE DRYWALL TAPERS AND FINISHERS LOCAL 1944, AFL-CIO

I would like to thank Senator Inouye, Chairman, and the U.S. Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education for giving me this opportunity to offer our insight as to what organized labor in Hawaii is doing to meet the upcoming demand for qualified trades people for the privatization of military family housing.

Mr. Chairman, my name is Joseph Bazemore and I am the Business Representative for the Drywall Tapers and Finishers Local Union 1944, AFL-CIO. I have been acting in this capacity for well over twenty years and feel that I am able to speak candidly and with a wealth of knowledge regarding our labor situation.

It is our belief that we are well prepared for the upcoming labor demand which is being brought on by the privatization of military family housing. In anticipation of this demand, we have been in close contact with our unionized contractors who have already performed military family housing projects in the State of Hawaii. We have asked them to provide their input into anticipated labor demands and we have

also participated in Congressman Abercrombie's recent labor summit. Accordingly and with knowledge of past years fresh in our minds, we have begun an aggressive campaign to not only bring new apprentices into our training programs, but also to bring back Journeyworkers who have previously left the industry due to slow economic times.

To deal with this influx of new apprentices as well as the journeyperson retraining that will be required of all workers who have previously left the program, our training funds have already appropriated additional moneys for this endeavor. Mr. Chairman, we greatly appreciate being given this opportunity to provide input as well as the potential to have some of our training dollars be stretched even further by the possibility of federal matching funds.

If such federal funding does come to fruition, it is our hope that such dollars will be utilized to enhance current qualified training programs. It is our belief that qualified training programs who have a proven track record, could be granted matching funds for their efforts at increasing their pool of qualified working men and women. We have already shown our commitment to this effort by ramping up our training programs and we would like to respectfully note that we have done so with no guarantee of actually gaining a great majority of this anticipated work.

Additionally, such matching funds should be solely earmarked for "instructional costs", such as instructor wages and materials needed for training. These moneys should not go to any organization for the purpose of acquiring or improving training facilities. We believe that the current infrastructure of qualified training programs should be utilized to its fullest and that all of the earmarked grants should go to where its use will be maximized.

Thank you very much for giving us this opportunity to testify on this extremely important subject.

PREPARED STATEMENT OF THE CARPET LINOLEUM AND SOFT TILE LOCAL 1926, AFL-CIO

Mahalo Senator Inouye, Chairman, and the U.S. Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education for giving me this opportunity to testify in behalf of the working men and women of the state of Hawaii, as we deal for the upcoming privatization of military family housing.

Senator Inouye, my name is Malcolm Ahlo and I am the Business Representative for the Carpet Linoleum and Soft Tile Local Union 1926, AFL-CIO. I have been acting in this capacity for well over twenty-five years and feel that I am able to give you an accurate assessment regarding the anticipated labor demand due the privatization of military family housing.

In anticipation of this demand, we have begun to aggressively recruit new members into our training program. Our relationship with the community college has spanned decades and we are proud of the hundreds of Journeyworkers that our program has graduated over the years. As you are aware, our training program is strictly regulated by the State of Hawaii and our Apprenticeship and Training Program has a proven track record of success.

Additionally and to deal with this influx of new apprentices, journeyperson retraining will be required of all workers who have previously left the program. Our training funds have already appropriated additional moneys for this endeavor. Mr. Chairman, we greatly appreciate being given this opportunity to provide input on this exciting new program, as it is our hope to have some of our training dollars be stretched even further by the possibility of federal matching funds.

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Once again, Mr. Chairman, Mahalo for giving us this opportunity to testify on this extremely important subject.

PREPARED STATEMENT OF CRTC, INC.

I am a retired general foreman from Pearl Harbor Naval Shipyard and current President and Training Director of CRTC, Inc. a vocational specialty school dedicated in the training of crane operators and riggers in the field of maritime and construction industry.

Presently focusing on skill building and formal training of new workers to meet current federal regulations, state laws, and OSHA/ANSI/AMSE standards. To support the up coming events in both industries and lost of experience through retirement.

It is well known that approx. 50 percent of the weight handling and lifting maritime industry will be up for retirement by 2005. Also, the shift in work to the private sector of all non-nuclear work that require a highly specialize skill that need the training we provide. As of may 2004 navy crane center will not do any more hands on training. All training will have to be from outside sources, which we at CRTC are qualified and approved for.

The construction industry should be in the same situation when it comes to retirement lost of skills. Also, the state requires the crane operators to have a certificate to operate. They must be trained and certified through the NCCCO program that we provide.

This new certificate the operators is facing today is like the CDL of old. Which means operators, many of them, still need to do it. Some are using the two-year temporary certificate others are just playing the odds till they get caught then they come to class. Some just feel they won't pass and operate anyway and just don't care.

Cost of the training has always been an issue with the industry even when we were with Honolulu Community College as a non-credit course. Turning private as a vocational specialized school our obligations impact the cost of the training and tuition. The law for the crane operator's effects everyone like the CDL but no funds for the student tuition has ever been allocated for crane training and certification.

Riggers will be effective soon with the new 2003 national standards from ANSI/AMSE showing qualifications defined. OSHA is reviewing it with the possibility of a new regulation out by 2005. We at CRTC already have the approved methods form the national standards and instruction is on going with a class graduating by the end of March. Our next class starts in April 18 but it's already full because of the size of our facility.

Assistance in tuition for the students would help people that want to take the course but can't afford it mostly people in programs that need help. Also, if we can get some support for facility and equipment, cost of the program can be reduced.

The fact that the UH system does not want to accept the liability in doing this type of training is what kicked us out and moved us to Campbell Industrial Park. We are the only non-union training and certification company in Hawaii that offer training for current operators and entry-level students that want to become crane operators and riggers for construction and maritime/DOD navsea work. You need hands on training to do the type of work we do. We work on war ships that go into battle and everything around you while rigging or lifting equipment in or out is crucial to the ship and cannot be damaged. Repairs must be done effectively and error free "0" tolerance.

As for crane operation, all shipyards are gauged by their performance in crane operations. The level of training necessary to accomplish this is based on classroom and hands-on lessons and skill building. Remember in Hawaii, the only place which makes real crane operator from scratch is the Local 3 operator union and Pearl Harbor Naval Shipyard. All of our trainers are all certified instructors by the Navy and nationally accredited by national commission of crane operators. Also our lead instructor is currently the examiner of all DOD crane license for Pearl Harbor and all DOD organizations in Hawaii and Guam.

The training is costly. I see more and more operators come from the mainland, where there are a lot schools like CRTC, and take the jobs away from the local people. This should not be happening. The last three years before I retired from the shipyard we had more riggers and crane operators working in Pearl from the mainland then pearl workers because no one on the island has any qualifications. Only just unemployment and welfare experience. Wait, I forgot there was McDonalds and K-mart experience too, with a college degree in hand but no real skill. I was embarrassed about my shipyard, and mad with the state and the military talking about the quality of the gene pool and college education. I hope you remember that couple of years ago it was all over the news. This is an utmost opportunity where I hope you can make some real changes and help the people of Hawaii this time.

Please give our people some support especially, the women, so they can get this male-type job with the high pay to raise their family. I have three in my current class doing fine and will be certified soon they are all single parents on payment plans with us that I felt needed the chance and so accommodated room for them to learn. I wish I could help more, and with your support, I know I can.

Thank you.

PREPARED STATEMENT OF IRON WORKERS LOCAL 625 AND IRON WORKERS SHOPMEN
LOCAL 803

Our union Locals are glad to see that others have joined our ongoing concern for the training of skilled construction workers in Hawaii. We have an established training facility at Waipio, Ohau, and have graduated Apprentices and brought new technology to Journeyman over years of consistent performance. Given the upcoming privatized military housing and other Federal construction in Hawaii, Federal Apprenticeship and Training funds would be a welcome supplement to our efforts.

These funds would be applied wisely. One general criticism of government training programs has been where training was funded, there was no resulting employment. The other is where, in all sincerity, government provides funds to programs that say what they intend to do, but lack the resources and experience to finish the job.

To apply every Apprenticeship and Training dollar possible to Hawaii residents, any program seeking funds should show its record of performance, and adequate reserves to follow its commitment through to completion.

As for seeing that Federal training dollars lead to actual employment, Project Labor Agreements ("PLA"s) are a way to produce measurable results. Training is connected to jobs. Otherwise, trainees may not be in the industry, or not using the skills they were trained for. Our investment can produce direct results with a PLA.

If the large privatized military housing consortiums would enter into agreements, Apprenticeship and Training would be greatly enhanced. Hawaii's people can come away with solid skills when the training and the job site are coordinated. U.S. Senators can support the process by bringing the parties together.

Senatorial monitoring would encourage serious discussions, getting beyond cordial formalities. Where Congressional approval of privatized military housing contracts is required, agreements with Hawaii's leading construction Apprenticeship and Training organizations should be a major consideration. We ask for this help.

Ironworkers Local 625 and 803, along with other Construction Trades Unions, would also welcome the Federal Apprenticeship and Training Funds especially if they were granted to the University of Hawaii Community College Division and earmarked specially for Apprenticeship and Journeyman retraining programs.

Thank you for this opportunity to submit testimony to this subcommittee. Iron Workers Locals 625 and 803 are prepared to partner in a program that you see fit to initiate, putting forward our training facility, matching funds, outreach to communities, and depth of experience. We suggest that these be required of any participating organization, and we ask your support for Project Labor Agreement so that the productivity of Federal funding is measurable, rather unknowable.

PREPARED STATEMENT OF THE JOHN A. BURNS SCHOOL OF MEDICINE, UNIVERSITY OF
HAWAII

My name is Bruce Anderson. I am the Environmental Health Program Director at the John A. Burns School of Medicine at the University of Hawaii. Prior to this, I had the privilege of serving as the Director of the State of Hawaii Department of Health for four years and, before that, as Deputy Director for Environmental Health for twelve years. The Department of Health is one of the State's largest agencies providing public health services to residents statewide with over 3,000 employees and a budget of approximately \$600 million.

On February 18, 2004, you heard U.H. President Evan Dobbelle, Dr. Carl Vogel and others testify to the importance of expanding the Cancer Research Center of Hawaii to identify the causes of various cancers and finding effective cures through clinical trials. I would like to take this opportunity to expand on their testimony and describe the critical role the Cancer Research Center has played in addressing emergent community concerns associated with environmental health hazards in Hawaii. These concerns have ranged from exposure to pesticides and other potentially toxic substances in water to cancers (e.g., leukemia and breast cancer) associated with non-ionizing radiation from broadcasting towers. Information and data collected by the Cancer Research Center has also been very useful in making decisions

on how limited prevention funds should be spent to reduce the risk of cancer in Hawaii.

An example may best illustrate the way the Cancer Research Center has helped to address community concerns. In the 1980's, traces of a several pesticides used by the pineapple industry were found in public drinking water supplies in Central Oahu. These included DBCP, EDB, and TCP, which are all considered to be "probable" human carcinogens by the U.S. Environmental Protection Agency. Although the wells were closed immediately and treatment systems installed, residents who drank the water have been concerned for years that they may be at increased risk of cancer and other health conditions. After over twenty years, these concerns recently surfaced in the form of a class action lawsuit against landowners, pesticide manufacturers and others.

To address the concern that residents potentially exposed may be experiencing an unusually high rates of various forms cancers, I contacted Dr. Laurence Kolonel at the Cancer Research Center and asked for help and advice. We decided that the best way to address the concern was to determine whether cancer rates were higher in this area than in other areas by using data in the Hawaii Tumor Registry, which is maintained by the Cancer Research Center. After compiling the data by area and adjusting for age and other factors that normally affect cancer rates, Dr. Kolonel found that the cancer rates in potentially exposed communities were in fact lower than other parts of the State. This information was very reassuring to residents in the area, albeit not what the plaintiff's attorneys wanted to hear. As these pesticides have been found in hundreds of water wells in California and other states, our findings had far reaching implications.

In addition to addressing community concerns, I found the information from the Cancer Research Center was critical to making well-informed decisions on allocating limited cancer prevention funds when I was Director. Data from the Cancer Research Center has shown that certain groups in Hawaii are at increased risk and identified risky behaviors (e.g., teenage smoking). Some risks are higher in Hawaii than in other parts of the world because of our location (e.g., skin cancer from exposure to ultraviolet radiation). Further, certain ethnic groups (e.g., Hawaiians) have been found to be at increased risk to various cancers. These findings are based on research at the Cancer Research Center and are critical in targeting prevention funds to be most effective in preventing cancer.

In summary, there are many reasons why the Cancer Research Center of Hawaii needs to be expanded other than to conduct research on the causes of cancer and to find effective cures. Data and support from the Cancer Research Center has and will continue to be vital and increasingly important in addressing community health concerns and in developing effective prevention programs and in making decisions with regard to funding these programs.

Thank you for the opportunity to testify to your committee.

PREPARED STATEMENT OF THE UNIVERSITY OF HAWAII AT MĀNOA

Senator Inouye, Senator Akaka, distinguished members and staff of the Senate Subcommittee on Labor, Health and Human Services, Education, and Related Agencies.

My name is Peter Englert. I am the Chancellor of the University of Hawaii at Mānoa. Thank you for the opportunity to provide testimony for federal support of our Cancer Research Center.

The University of Hawaii at Mānoa welcomes and supports a review of our Cancer Center program and National Cancer Institute (NCI) funding proposal by a distinguished panel appointed by the NCI Director. We believe that an independent review of the case for federal funding developed by UH Cancer Center Director Carl Vogel and his world class team of cancer researchers, will find compelling evidence and justification for institutional support of the Center by the federal government. Furthermore, we suggest that a firm date for completion of the panel's work and the subsequent submittal of recommendations by the NCI Director to the Congress be established consonant with the federal 2005 budget approval timeframe.

LETTER FROM JOSEPH KANE, JR.

FEBRUARY 25, 2004.

DEAR SENATOR INOUE: Mahalo Senator Inouye for taking time off your busy schedule to hear my testimony. My letter is in regards to a training facility I am

attending at Campbell Industrial Park, Crane and Rigging and Training Consulting, Inc.

My name is Joseph Kane Jr. I am a 29 year old, single father of 3 children. My son Ka'ainui is 9 years old, and my twin daughters Mahi'e and Hilina'i are both 6 years of age. Presently I am employed by Wedding Emporium, a struggling company trying to survive in the Japanese wedding industry. I make \$8.50 per hour. I am blessed to receive rental assistance from the City and County of Honolulu, Section 8 program. This allows me to put a roof over my children's head and ease some of my financial responsibilities. My children and I are barely surviving if not for our faith in God!

While watching the morning news one day, I was blessed to catch a segment of this training facility, CRTC, Inc. This organization offered an individual, with no experience to start at an entry level position and work his or her way up to certification status, within a year's time. Praying on this information I called the company to inquire about this opportunity. At this time I found out the tuition costs were between \$4 thousand to \$9 thousand per student, depending on what direction and certification one wanted to achieve. To train to be a certified rigger would take a student 4 months at a cost of \$4 thousand. To become a certified crane operator will take 10 months of training at a minimal cost of \$9 thousand.

It was at this time, I asked the CRTC, Inc. if there was a payment plan available that I may qualify for, but financial assistance was not available for me due to the costs of running the training program. I thank the Lord that CRTC, Inc. offered me a type of tuition assistance, by assisting the company with certain projects and obligations. In my class I am the only student that did not pay the full tuition.

Presently I am in my second month of training to become a certified shipboard rigger and I love my class. We cover math, angles, weight, and above all safety. It is this stress on safety that makes the difference between a rigger and a certified rigger. The riggers that are currently in the construction and maritime industry receive on the job training and are not necessarily certified. When working in a hazardous environment it is crucial to be trained properly so as not to kill yourself and the people around you! In Hawai'i certification can only be obtained through CRTC, Inc. or on the job training from the Local 3 union, which it is easier to win the lotto than get into their apprentice program!

Senator Inouye is with this intent of safety for myself and others that I ask you humbly to assist CRTC, Inc. with avenues of financial assistance, so that they may continue to produce a certified workforce for Hawai'i's future.

Mayo with much gratitude,

JOSEPH KANE, JR.

PREPARED STATEMENT OF SHEET METAL WORKERS UNION LOCAL 293

Members of the Subcommittee: The Hawaii construction industry started its' decline in 1991. The industry has had sporadic moments when it got busy but nothing long-term and large enough to sustain employment. With the prospect of several Federal Funded projects and a few private ventures on Oahu the construction industry can feel optimistic for the first time in approximately 14 years. Over this time we have lost members (citizens of Hawaii) to the mainland because there has been no work for them. Even with this downturn in the construction market Local 293 has maintained and will continue to maintain a very successful and progressive Apprenticeship, Journey worker, and Instructor Training programs. Local 293 is committed to these programs as they provided for the State of Hawaii the most qualified and productive Sheet Metal Workers. When graduated from our Apprenticeship program our members are qualified to work anywhere in the United States. The proven success of our program shows when we have apprentices compete in work and classroom related contests on a national basis. Our continued qualification into the finals of this competition and the amount of first place and top three finishers is more than almost any other Sheet Metal Local in the Country. The only other Sheet Metal training program in Hawaii has produced zero graduates in the last four years and may have never produced any graduates from their program.

Our Training program has an excellent working relationship with the Community College System. This Partnership we enjoy has allowed us to produce the highly skilled workers we have. If monies are made available for training and advanced training of the work force it should be used to enhance existing proven and successful programs. Not for start up programs because when they finally get up and running and are possibly able to produce a graduate the need for a large number of new workers will be over. The increased workforce required in the State of Hawaii is largely for the next five years. After this time the amount of work will diminish.

By funding the current successful programs the Unions have the ability to look at man power needs now and in the future and can control things so that there is not an excess of workers causing a strain on the States economy, as for Unemployment, Welfare, Etc.

The support of members of this committee for Project Labor Agreements (PLA) is greatly appreciated. It is obvious that there is an understanding of the value of such an agreement. PLA's have a proven track record of producing quality projects, completed on time and within budget. A Project Labor Agreement will not hinder any contractors ability to perform the work required, and in fact has measures included to eliminate work related issues. This type of agreement will not only stabilize the projects in items related to cost, but will maintain a respectable standard of living for Hawaii's citizens and not produce a race to the bottom for wages which undermines the ability of workers to provide a living for themselves and their families.

All of our training programs stress the need for and provide education for drug free and safe work and workers. We believe in the need for this and do not have to invent new programs to provide drug free and safe work.

These items mentioned above and many others are being dealt with currently, by this and all of the other Labor Unions in Hawaii, as we all understand the need to have people (citizens of Hawaii) ready to go as the work materializes. We are moving forward on our own, even with no real solid commitment, that Hawaii people and contractors will be utilized. Statements that it is the developers intent to use Hawaii firms and people does not guarantee it. We need and will be prepared to provide qualified workers for the projected future demands.

I thank you for your consideration on these matters and for your support of the Hawaii Construction Industry.

- Wage Forecast of Selected Professions In the Construction and Tourist Related Industries
- In Hawaii

- Introduction:

- The objective of this Job Summit conference is to determine whether the State of Hawaii has enough qualified manpower to meet the expected increase in demand for residential construction and tourist trade. At the end of the conference we hope that we will have some ideas on the magnitude of the manpower demand or the policies that must be taken to address the anticipated shortfall in manpower.

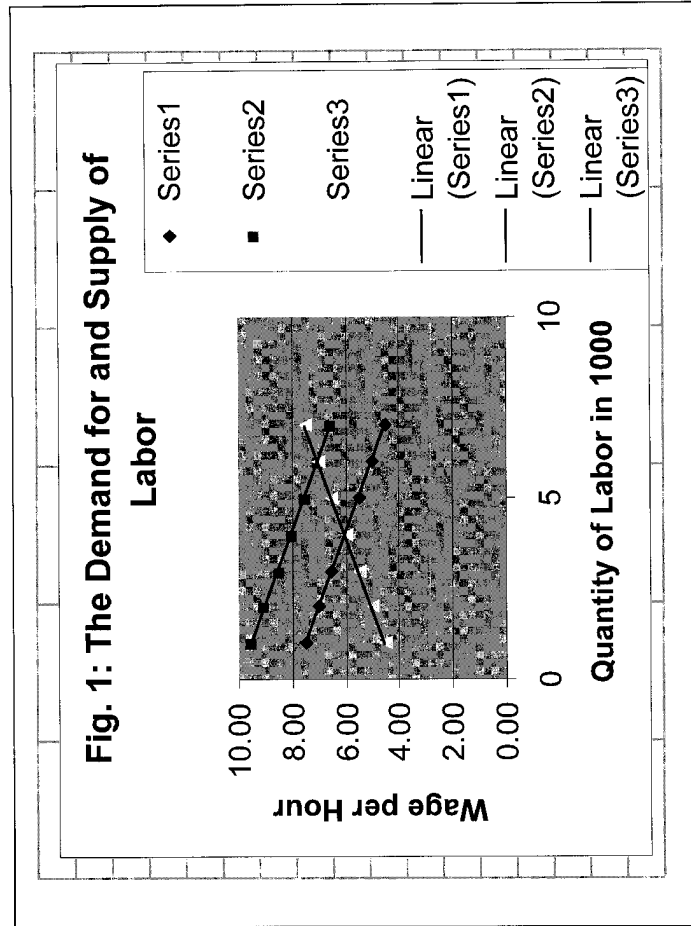
- Accordingly, the objective of my presentation is to consider the efficacy of a wage policy as an instrument to increase the labor force in the construction and tourist industries.
- My presentation consists of three sections, namely,
 - 1. Econ. 201: The demand and supply of labor
 - 2. Forecast of the annual average wages in the construction, services and finance, insurance and real estate industries.
 - 3. Wage forecast of specific job classification in the above industries.

- **The Demand for and Supply of Labor**

- The demand for labor is a derived demand. We anticipate an increase in construction activities and tourist arrivals as a result of increase residential construction projects by military and we also anticipate an increase in tourists visiting Hawaii resulting from increased frequency of cruise arrivals. These two events require that we should have enough supply of the required skills and profession to meet the expected increase in demand for labor.
- Unfortunately, the supply labor with the appropriate skill is not sufficient. How do we address this problem?

- As an economist, my first inclination is to consider a wage policy. This policy requires that wages of laborers in the appropriate professions and skills categories should be established at a level that attracts unemployed laborers to train for the anticipated job opening, or perhaps attract employed laborers to switch from their current employment to the construction and tourist related jobs. To evaluate a wage policy, let us consider a hypothetical demand for and supply of labor for construction.

Quantity of labor in 1000	Demand for Labor wage/hr D1	Demand for Labor wage/hr D2	Supply of labor (S1) wage/hr
1	7.50	9.50	4.50
2	7.00	9.00	5.00
3	6.50	8.50	5.50
4	6.00	8.00	6.00
5	5.50	7.50	6.50
6	5.00	7.00	7.00
7	4.50	6.50	7.50



- Let us assume that the present time is represented by demand D1 and supply S1. Their intersection is at a wage of \$6.00/hr and a quantity of 4000 laborers. Suppose with increased demand to D2 and the supply at S1 we need another 2000 laborers to a total of 6000. To attract additional 2000 laborers we would increase the wage rate from \$6.00/hour to \$7.00/hour.
- While it is easy to establish a floor price at \$7.00, there is no assurance that we can generate the required number of laborers. First, in most cases, the supply for labor is inelastic in the short run. It means that labor is not wage sensitive. This is specially true

- If the most of the qualified laborers are presently employed. Second, establishing a floor price creates all kind of inefficiency in the in the economy such as the creation of a deadweight loss and reduction in the magnitude of consumer surplus.
- Annual Wage Forecast of the Construction, Services and the Finance, Insurance and Real Estate Industries

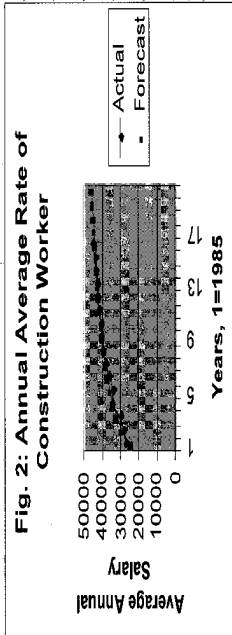
Table 2: Annual Average Wage By Selected Industries in Hawaii

Years	1985-2000				FIRE	
	Actual	Construction Forecast	Actual	Services Forecast	Forecast	Actual
1	27229		15691			18466
2	28398		16481			19671
3	29883		17579			21345
4	34703		19069			23245
5	33994		19387			24991
6	36130		21504			27294
7	37791		22494			27982
8	39921		23849			30312
9	40209		24692			31211
10	40587		25434			30886
11	41693		26006			31542
12	42378		26367			33147
13	42327		26983			34451
14	43553		27677			36137
15	43624		28072			37118
16	45429		29088			38994
17						
18						
19						
20						

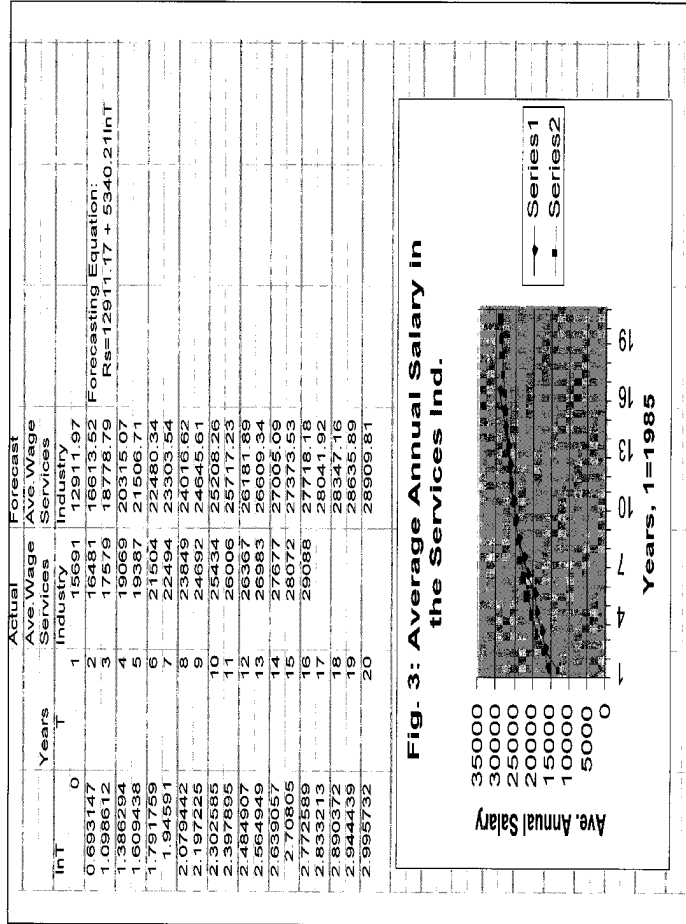
1985-2000

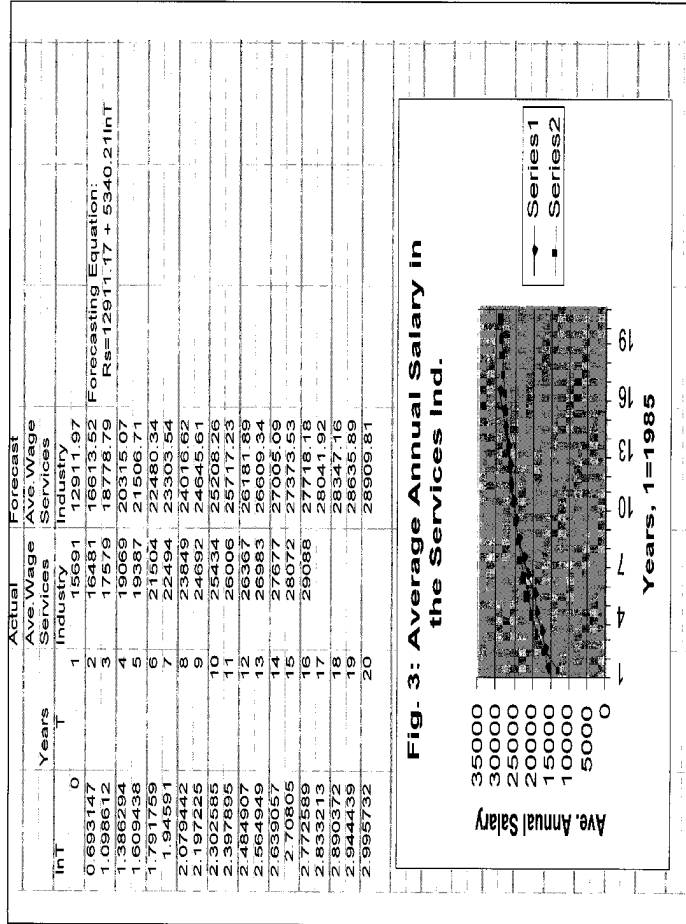
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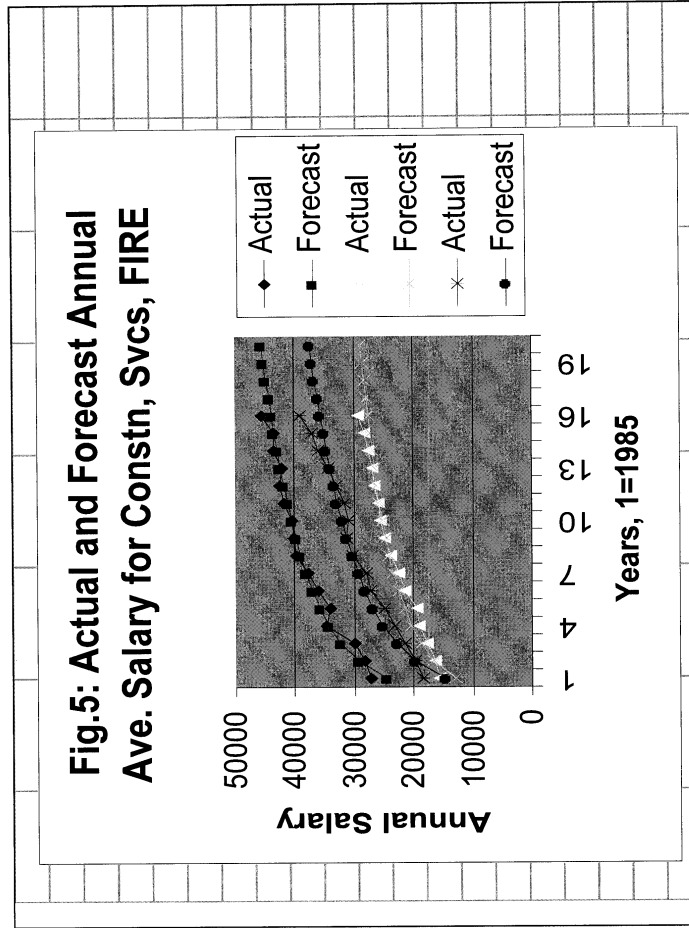
InT	Years	Construction		Services		FIRE	
		Actual	Forecast	Actual	Forecast	Actual	Forecast
0	1	27229	24519	19881	12911	18496	14575
0	2	26398	29367.16	19491	18718	19345	23944
1	3	32693	34575.39	17659	20315	23245	25132
1	4	33703	34575.39	19369	20315	24991	26832
1	5	33994	35776.13	19387	21506	24991	26832
1	6	36130	37051.37	21504	22480	27294	28220
1	7	37791	38129.57	22494	23303	27982	29394
2	8	39921	39063.55	23849	24018	30312	30411
2	9	40209	39887.38	24692	24645	31211	31308
2	10	40587	40524.32	25434	25208	30886	32111
2	11	41693	41290.96	26006	25717	31542	32836
2	12	42378	41899.56	26367	26181	33147	33499
2	13	42327	42489.41	26983	26609	34451	34109
2	14	43553	42977.75	27677	27005	36137	34673
2	15	43624	43460.32	28072	27373	37118	35198
2	16	45429	43911.73	29088	27718	38954	35690
2	17	44335.77		28041		36152	
2	18	44735.56		28836		36996	
2	19	45135.3		28836		36996	
2	20	45472.3		28809		37389	



Forecasting Equation
 $Rc = 24519 + 6894.45InT$
 $Rc = \text{average annual rate of worker in the construction industry}$
 $T = \text{years, } 1=1985$







- As you notice the annual employment and salary of the construction, services and the Fire, Insurance and Real Estate industries are shown in Tables 2-4 and Figures 2-4 respectively. Figures 2-4 are combined in Figure 5 for comparison purposes. The forecasts fit the actual wages very well. I did not get the statistical characteristics of the forecast in terms of R^2 , and t ratio but I suspect based on the appearance of the actual and forecast data that the forecast estimates are statistically reliable and significant.
- In the year 2004 (1985 = 1, 2004 = 20) the estimated employment for construction is 45472, service industries is 28909 and finance, insurance and real estate is 37389.

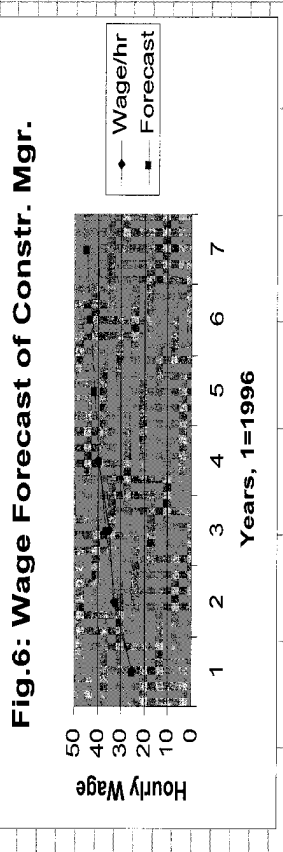
- The forecasts are based on the trends established from 1985 to the year 2001. The forecast for 2004 are based on the same forecasting formula that describes the trend from 1985-2001.
- Of course these forecast does not include the potential effect of increased residential construction brought about by stationing a carrier group in Hawaii, nor does it include the increased tourist trade resulting from expected increase in vacation cruise traffic in Hawaii. We can find the impact of these developments if we do these analysis after 2004.

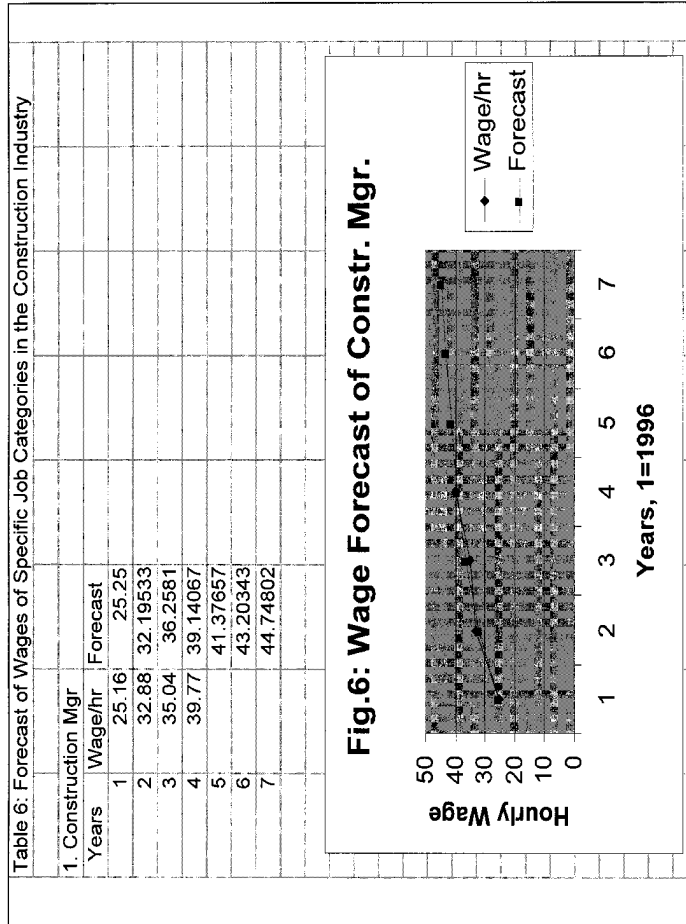
- For policy purposes, an impact assessment analysis should be completed before we design any program or policy to address the problems brought about by the expected increased in construction and tourist trade.
- While the impact assessment may be costly, it is much cheaper than planning for the recruitment of an undetermined number of additional carpenters, engineers, waitresses, cooks, and other job classification in the construction and tourist industries.

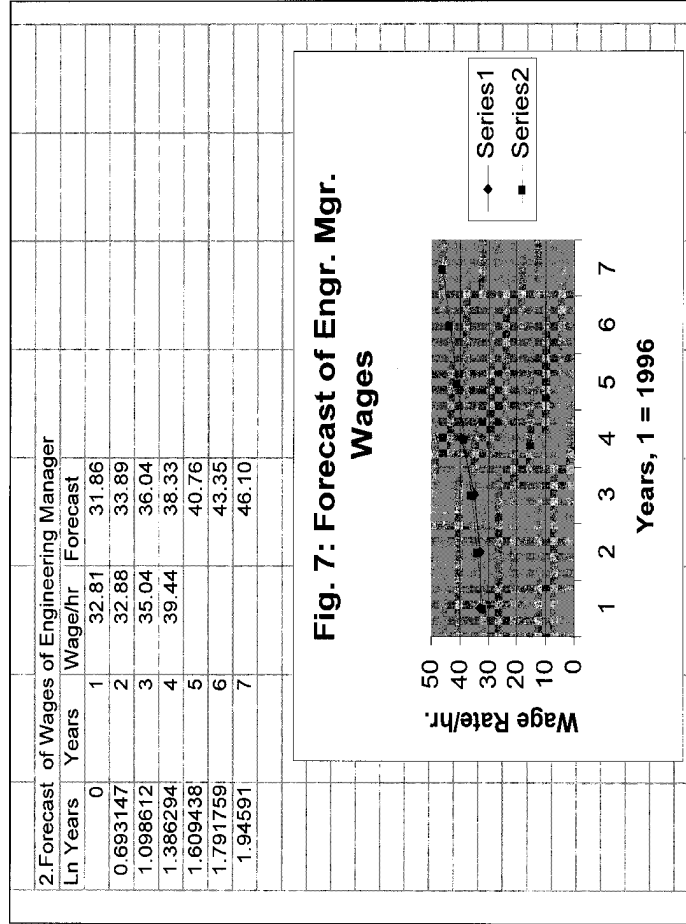
• Forecast of Wages for Specific Job Classification in Construction and Tourist Industries

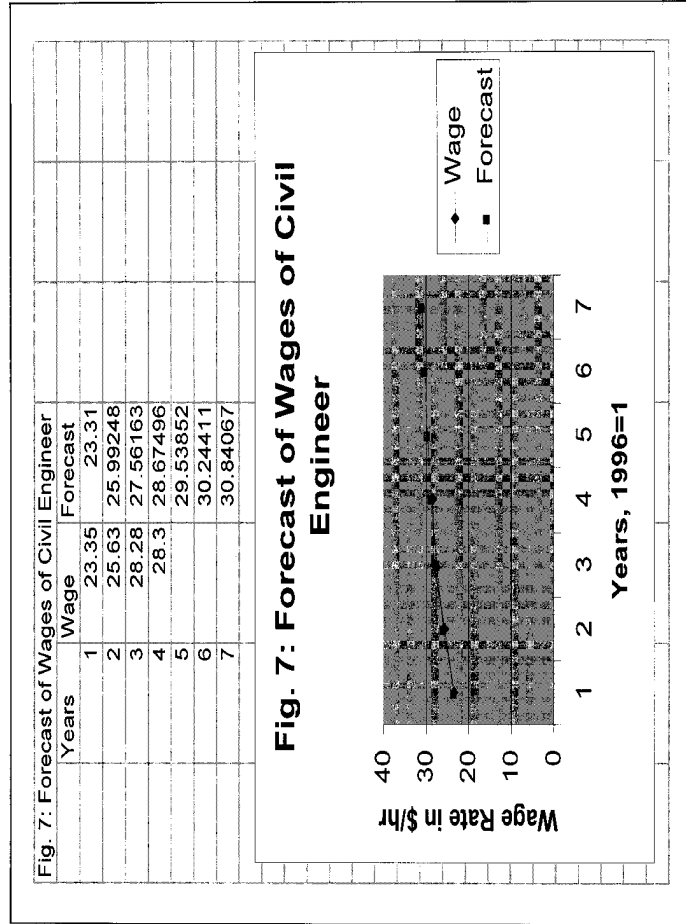
Table 6: Forecast of Wages of Specific Job Categories in the Construction Industry

1. Construction Mgr Years	Wage/hr	Forecast
1	25.16	25.25
2	32.88	32.19533
3	35.04	36.25811
4	39.77	39.14067
5	41.37657	
6	43.20343	
7	44.74802	









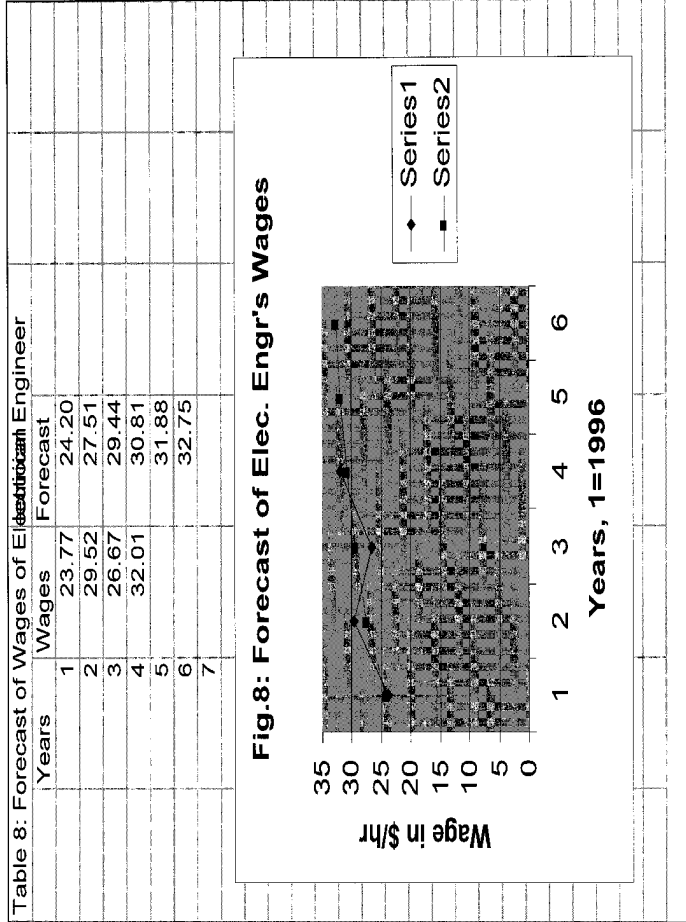
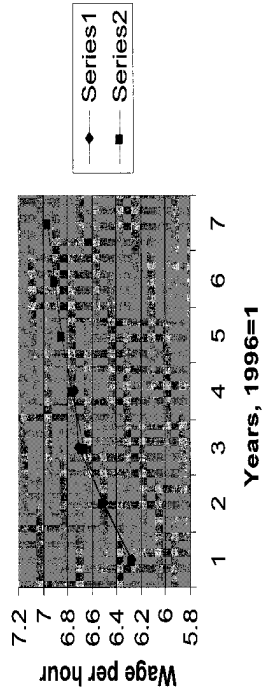
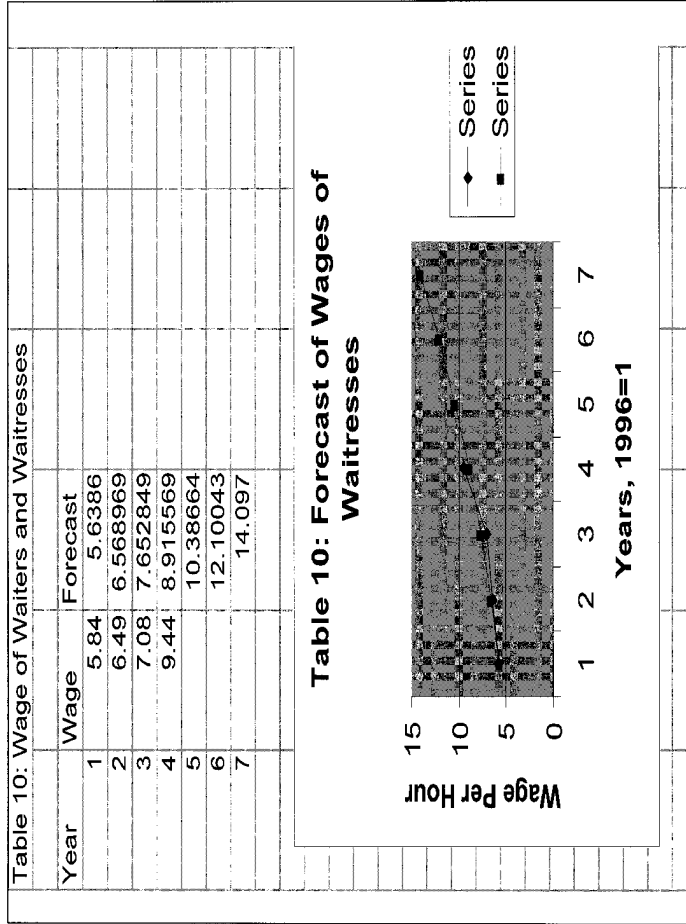


Table 9: Wage Forecast of Food Preparation Workers

Years	Wages	Forecast
1	6.28	6.28
2	6.51	6.52
3	6.71	6.66
4	6.74	6.77
5		6.84
6		6.91
7		6.96

Figure 10: Wages of Food Preparation Workers





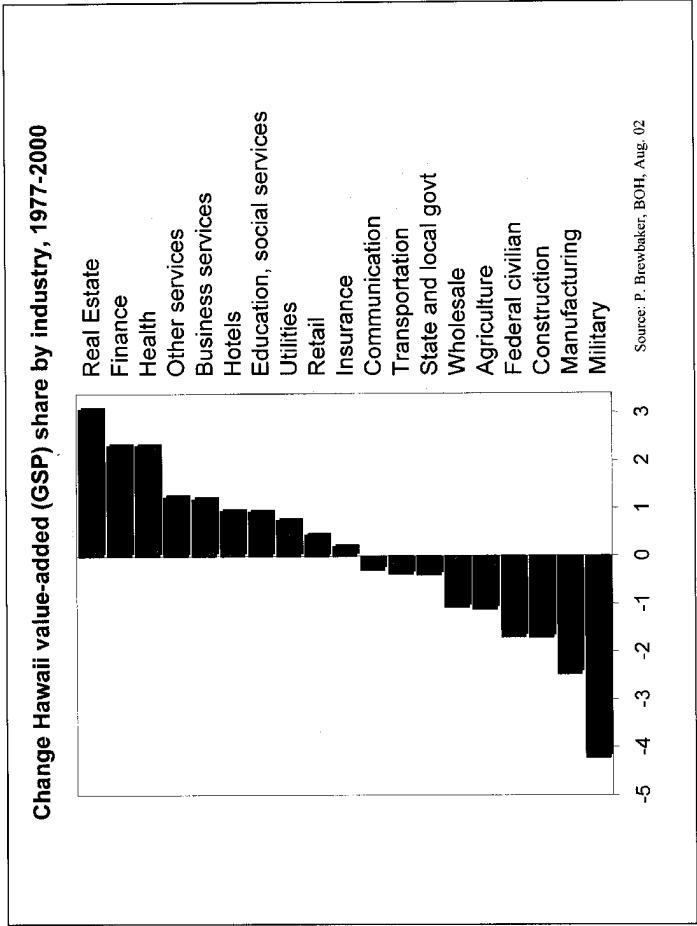
- **Conclusion**

- The purpose of estimating the wage forecast is that in the event that firms in the construction and tourist related industries decide to use wage as a recruitment instrument, these estimates will give them a basis for estimating labor costs. The estimate of labor cost will give them an idea whether to employ more or less to meet the potential increased demand for labor in the construction and service industries.

**Meeting Hawai'i's
Critical
Workforce Needs**

Michael Rota
University of Hawai'i
January 20, 2004

1



Employment Outlook, State of Hawaii 2000 - 2010

Occupation Title	Employment		Change Percent
	2000	2010	
Total All Occupations	569,100	662,239	10.9%
Food Preparation & Serving Related	69,540	75,050	7.3%
Office and Administrative Support	95,690	101,720	5.9%
Sales and Related	58,670	65,010	8.8%
Education, Training, & Library	36,600	43,330	15.6%
Transportation & Material Moving	37,650	41,590	8.8%
Building & Goods Clean & Maint	33,670	38,880	13.7%
Healthcare Practitioners & Techn	23,320	26,340	11.7%
Personal Care and Service	18,420	21,590	14.7%
Protective Service	19,330	22,310	13.4%
Management	26,570	32,110	18.0%
Construction and Extraction	22,800	25,720	11.4%
Healthcare Support	12,340	16,530	25.3%
Installation, Maintenance, & Repair	19,940	21,260	6.3%
Production	17,980	19,270	6.7%
Business & Financial Operations	16,170	19,860	17.6%
Computer and Mathematical	6,500	9,530	30.0%
Community and Social Services	8,430	10,720	24.2%
Arts, Design, Entertainment, & Media	9,990	12,230	15.6%
Life, Physical, & Social Sciences	7,740	8,620	8.9%
Architecture and Engineering	6,980	8,260	14.3%
Farming, Fishing, and Forestry	5,240	5,340	1.2%

Source: HI DLR 12/02

Employment Outlook, State of Hawaii 2000 - 2010

Occupation Title	Employment		Change	
	2000	2010	Number	Percent
Total, All Occupations	659,100	627,330	-68,230	-10.9%
Food Preparation & Serving Related	69,540	75,050	5,510	7.3%
Office and Administrative Support	95,680	101,720	6,030	6.9%
Sales and Related	56,670	65,010	8,340	9.8%
Education, Training, & Library	36,600	43,390	6,790	18.6%
Transportation & Material Moving	37,530	41,590	4,060	9.8%
Building & Goods Clean & Maint	33,570	36,880	3,310	13.7%
Healthcare Practitioners & Techn	23,320	26,340	3,020	17.7%
Personal Care and Services	18,420	21,590	3,170	14.7%
Protective Services	19,330	22,310	2,980	13.4%
Management	28,570	32,110	3,540	11.0%
Construction and Extraction	22,890	24,730	1,820	11.2%
Healthcare Support	12,340	13,530	1,190	9.3%
Installation, Maintenance, & Repair	19,940	19,270	-670	-3.3%
Production	16,170	19,660	3,490	21.6%
Business & Financial Operations	6,500	9,550	3,050	47.0%
Computer and Mathematical	8,430	10,720	2,290	27.2%
Community and Social Services	8,930	10,210	1,280	14.3%
Arts, Design, Enter, Sports, & Media	6,090	6,520	430	7.1%
Life, Physical, & Social Science	7,740	8,280	540	7.0%
Architecture and Engineering	5,080	5,300	220	4.3%
Farming, Fishing, and Forestry				

Source: HI DLIR 12/02

Employment Outlook, State of Hawaii 2000 - 2010

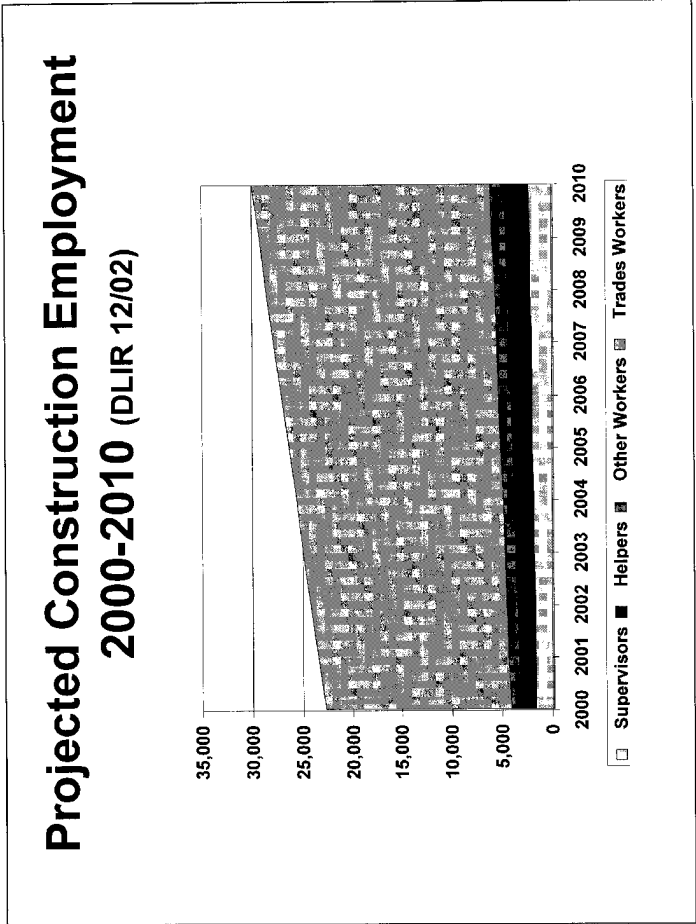
Occupation Title	Average Annual Openings			Percent
	Due To Growth	Due To Separations	Total	
Total, All Occupations	8,828	14,730	21,658	100%
Food Preparation & Serving Related	550	3,930	4,480	16.2%
Office and Administrative Support	800	2,700	3,500	12.5%
Sales and Related	630	1,980	2,610	12.1%
Education, Training, & Library	680	740	1,420	6.6%
Transportation & Material Moving	410	910	1,310	6.1%
Building & Grds Clean & Maint	530	700	1,230	5.7%
Healthcare Practitioners & Techn	500	500	1,000	4.6%
Personal Care and Service	320	590	910	4.2%
Protective Service	300	600	900	4.2%
Management	360	500	860	3.9%
Construction and Extraction	290	450	740	3.4%
Healthcare Support	420	250	670	3.1%
Installation, Maintenance, & Repair	140	420	560	2.6%
Production	130	410	540	2.5%
Business & Financial Operations	150	360	510	2.4%
Computer and Mathematical	300	60	360	1.7%
Community and Social Services	230	130	360	1.7%
Arts, Design, Embr, Sports, & Media	130	180	310	1.4%
Life, Physical, & Social Science	50	180	240	1.1%
Architecture and Engineering	50	160	210	1.0%
Farming, Fishing, and Forestry	20	100	120	0.6%

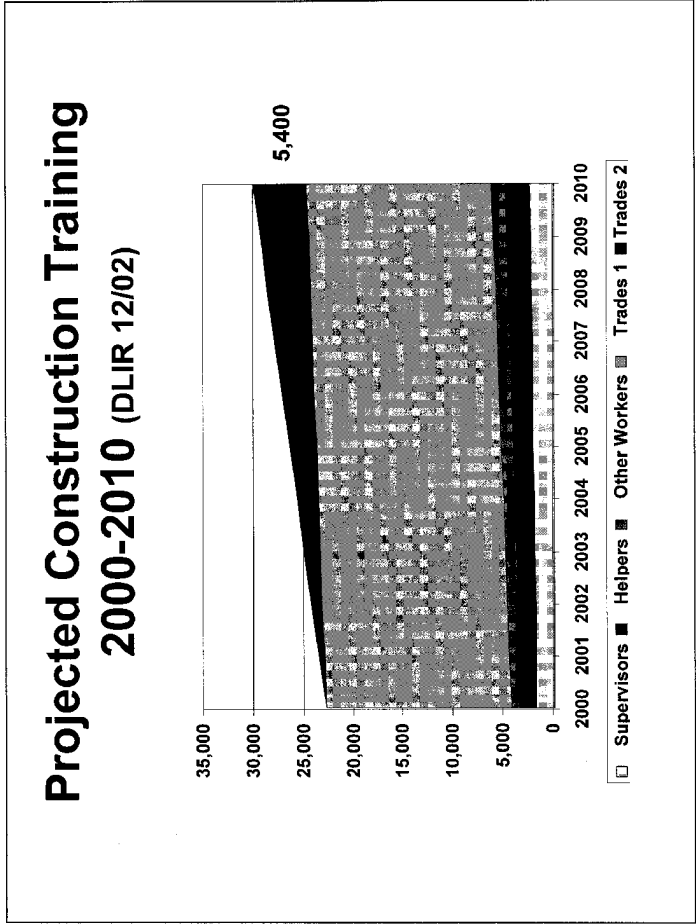
Source: HI DLIR 12/02

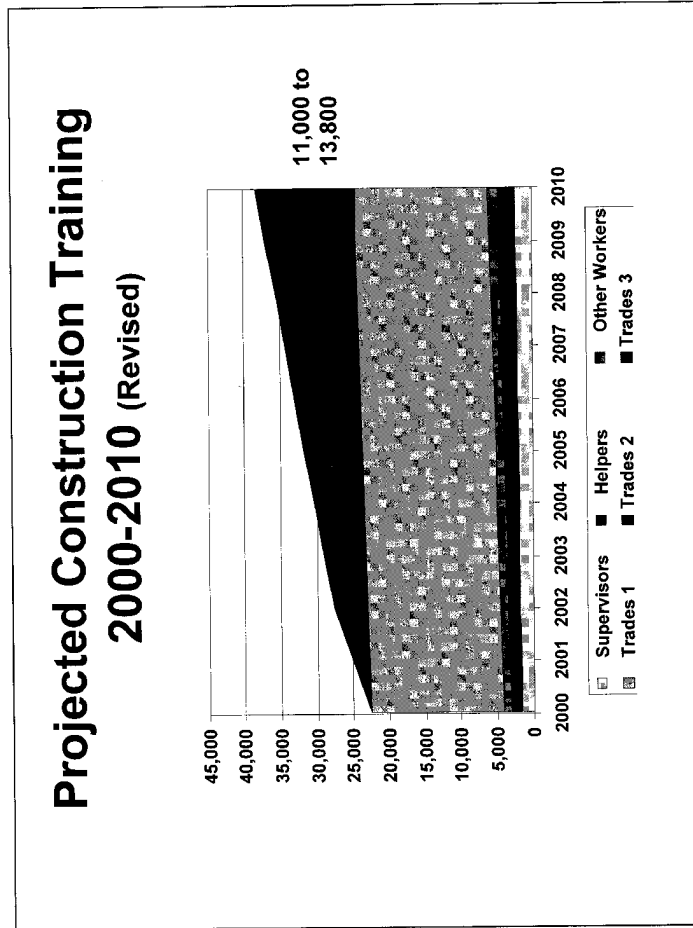
Employment Outlook, State of Hawaii 2000 - 2010

Occupation Title	Average Annual Openings			Percent
	Due To Growth	Due To Separations	Total	
Total, All Occupations	6,820	14,730	21,560	100.0%
Food Preparation & Serving Related	550	3,380	3,930	18.2%
Office and Administrative Support	600	2,100	2,700	12.5%
Sales and Related	630	1,980	2,610	12.1%
Education, Training, & Library	680	740	1,420	6.6%
Transportation & Material Moving	410	910	1,310	6.1%
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Healthcare Practitioners & Techn	600	500	1,000	4.6%
Personal Care and Service	320	590	910	4.2%
Protective Service	300	600	900	4.2%
Management	350	500	850	3.9%
Construction and Extraction	290	450	740	3.4%
Healthcare Support	420	250	670	3.1%
Installation, Maintenance, & Repair	140	420	560	2.6%
Production	130	410	540	2.5%
Business & Financial Operations	150	360	510	2.4%
Computer and Mathematical	300	80	380	1.7%
Community and Social Services	200	130	330	1.5%
Arts, Design, Entertainment, Sports, & Media	130	160	290	1.3%
Life, Physical, & Social Science	50	180	240	1.1%
Architecture and Engineering	50	150	210	1.0%
Farming, Fishing, and Forestry	20	100	120	0.6%
Unemployed	**	**	**	**

Source: HI DLR 12/02





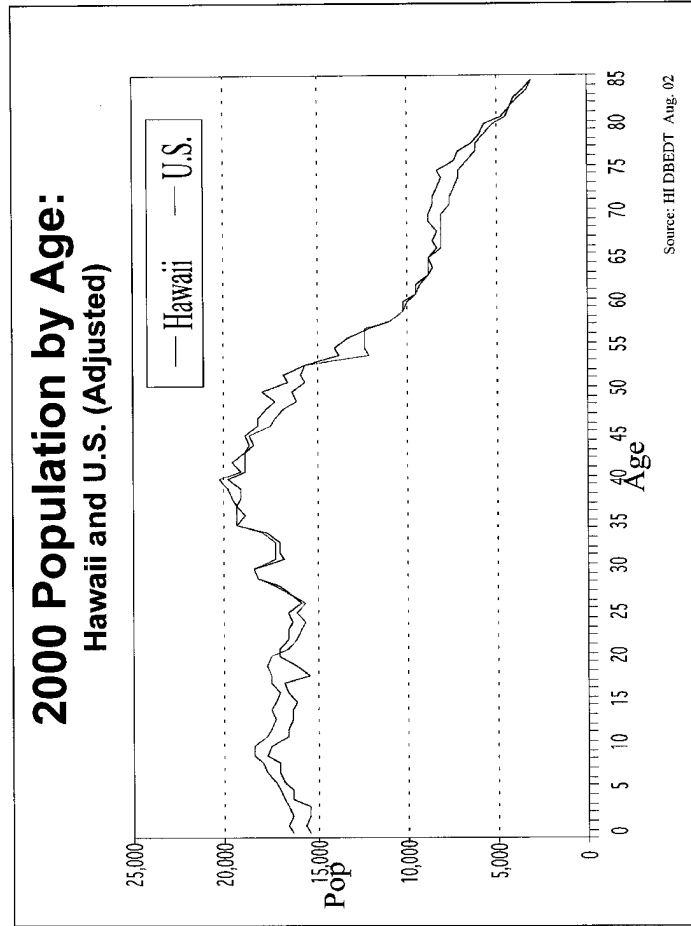


**Employment Outlook, State of
Hawaii
2000 - 2010**

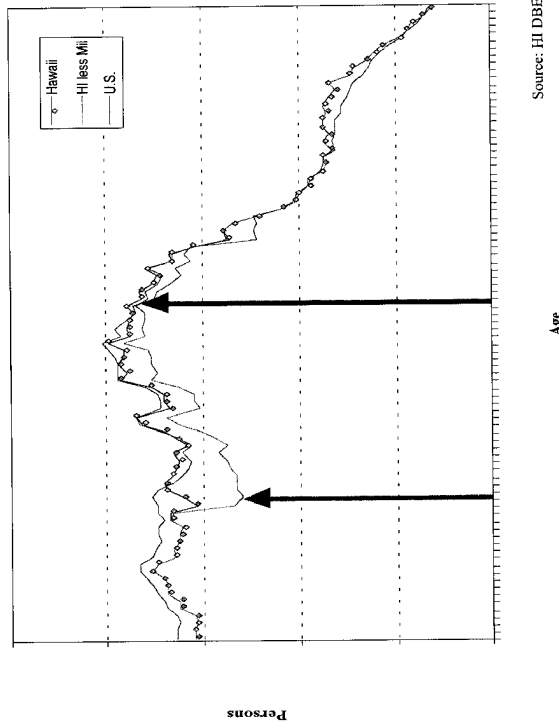
It is expected that we will need more than **21,000 new workers** per year to sustain our economy.

More than **50%** those jobs will require some education and/or training beyond high School.

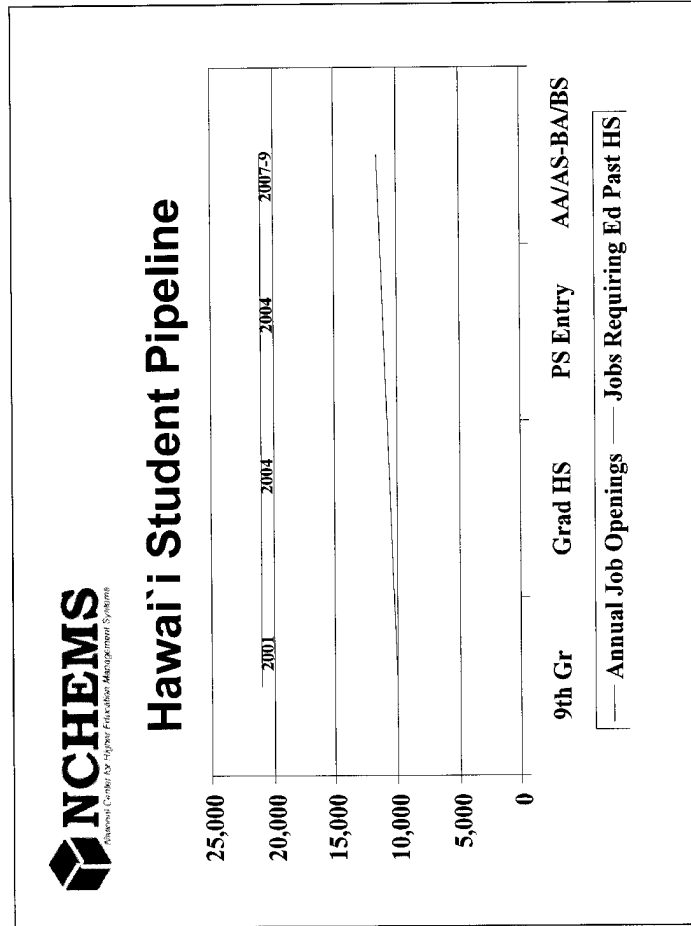
**But – we have significant
barriers to overcome**

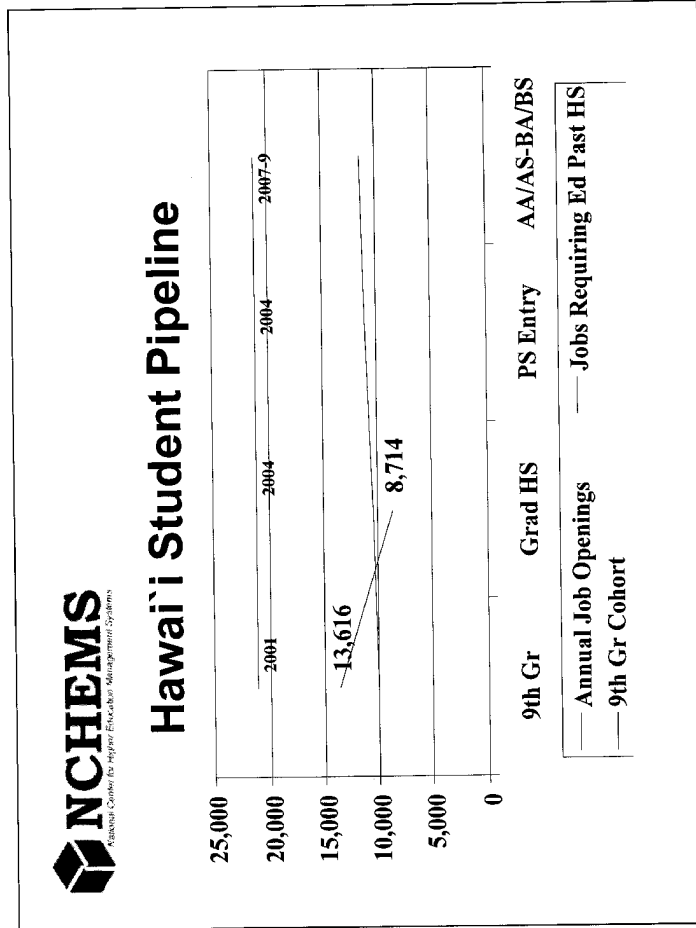


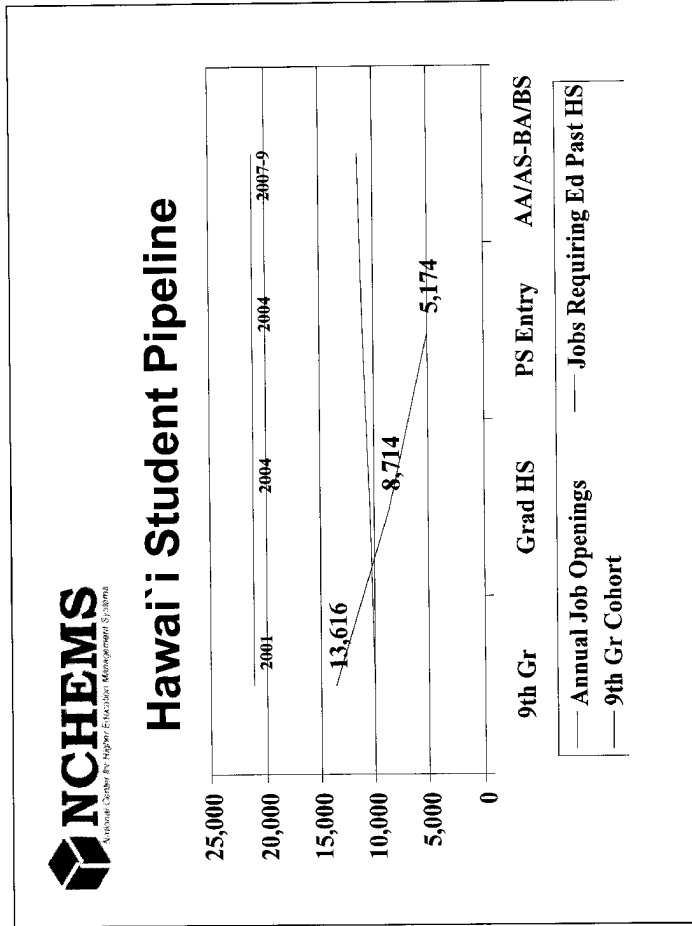
2000 Population by Age: U.S., Hawaii, and HI less estimated military

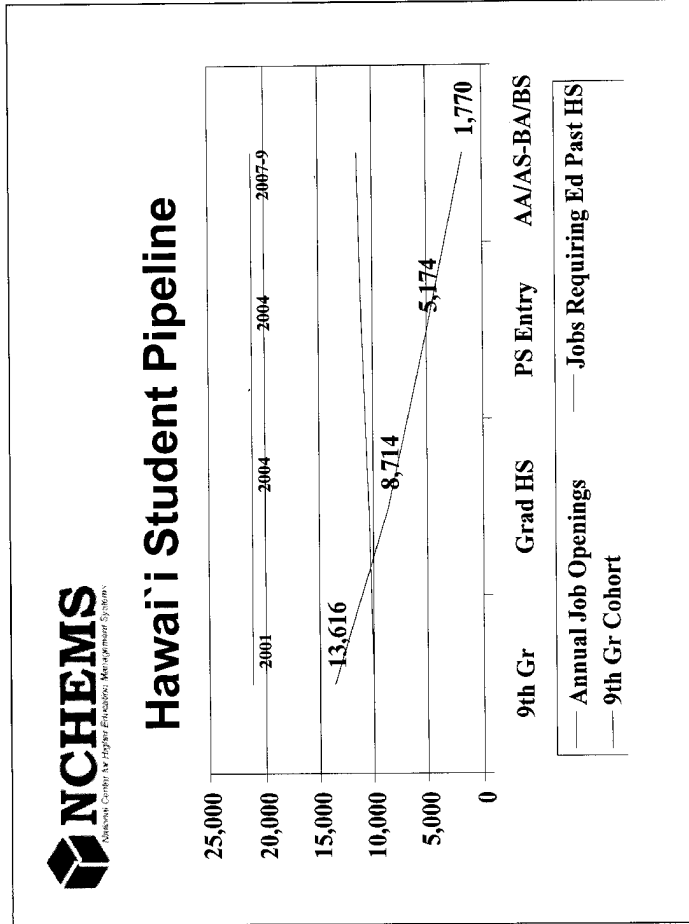


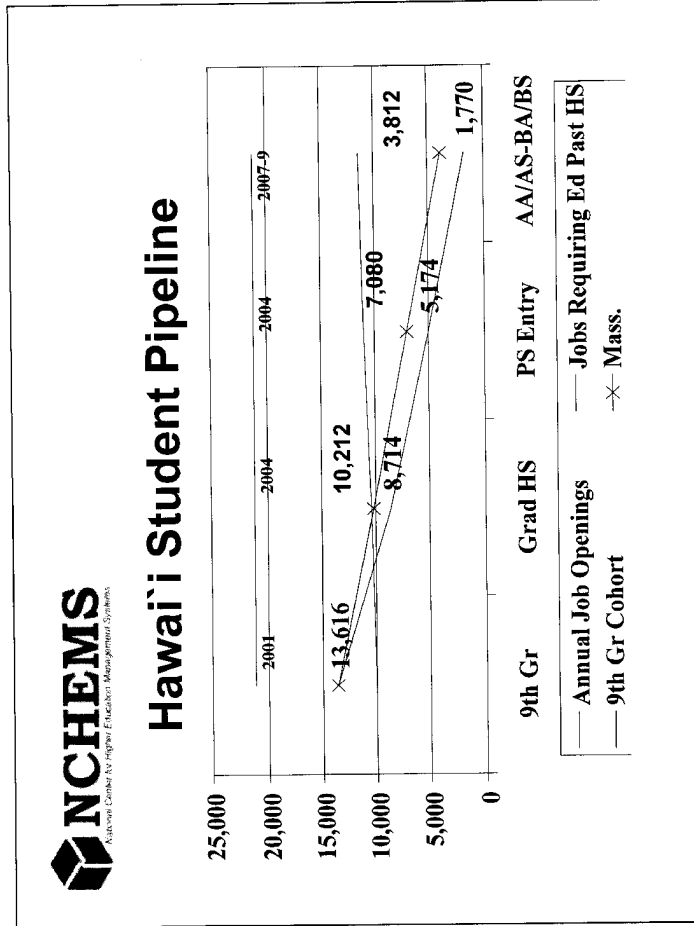
Source: HI DBEDT Aug. 02





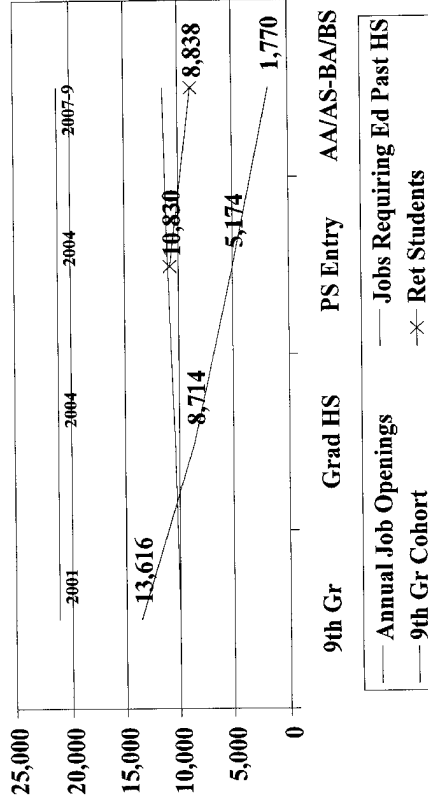






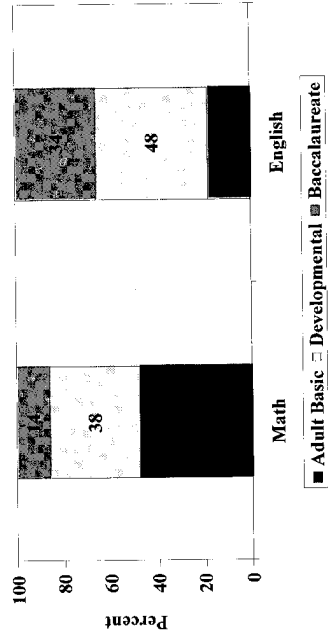


Hawai'i Student Pipeline



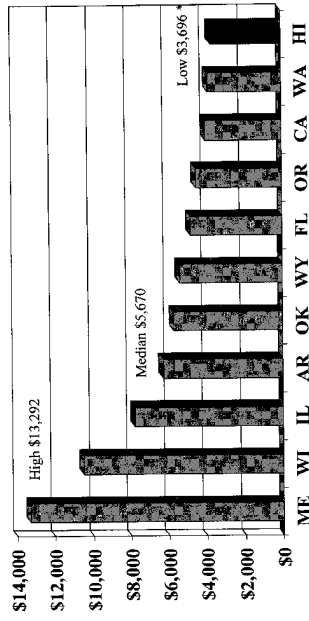
— Annual Job Openings
 - - 9th Gr Cohort
 -x- Ret Students

Community Colleges' Entering Student Placement Fall 2000





CCs Annual GF Expenditure Per FTE Student – 1998-99



20

* HI adjusted to include fringe benefits


Hawaii Education Pipeline

Since most of the job demand over the decade will be for individuals with education and training beyond high school, the size of the Hawai`i educational pipeline, particularly at the postsecondary level, indicates the likelihood of significant skill shortages unless we make significant changes.

**HAWAII JOBS SUMMIT
FAMILY AND COMMUNITY ISSUES**



**Dr. Sylvia Yuen
Center on the Family
University of Hawaii**

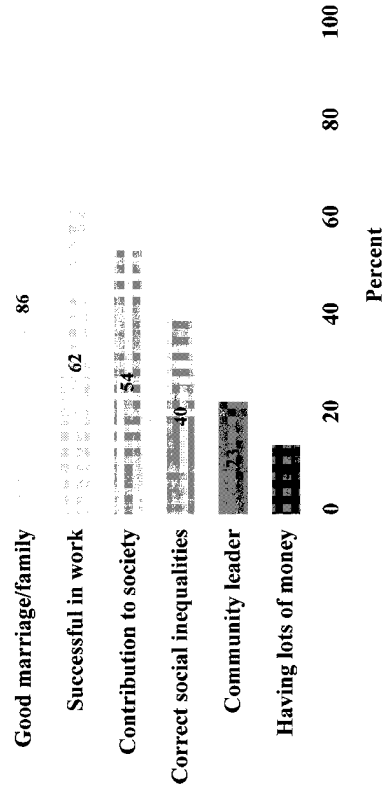


FAMILY AND COMMUNITY ISSUES

- Families matter in Hawaii
- Positive effects of new jobs
- Issues for programs and policies

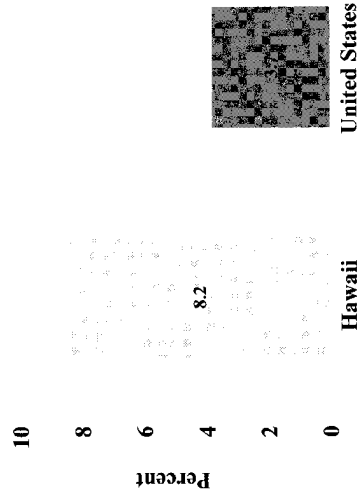
FAMILIES MATTER IN HAWAII

Goals, Wishes, and Dreams for Children



FAMILIES MATTER IN HAWAII

Percent of Multigenerational Households



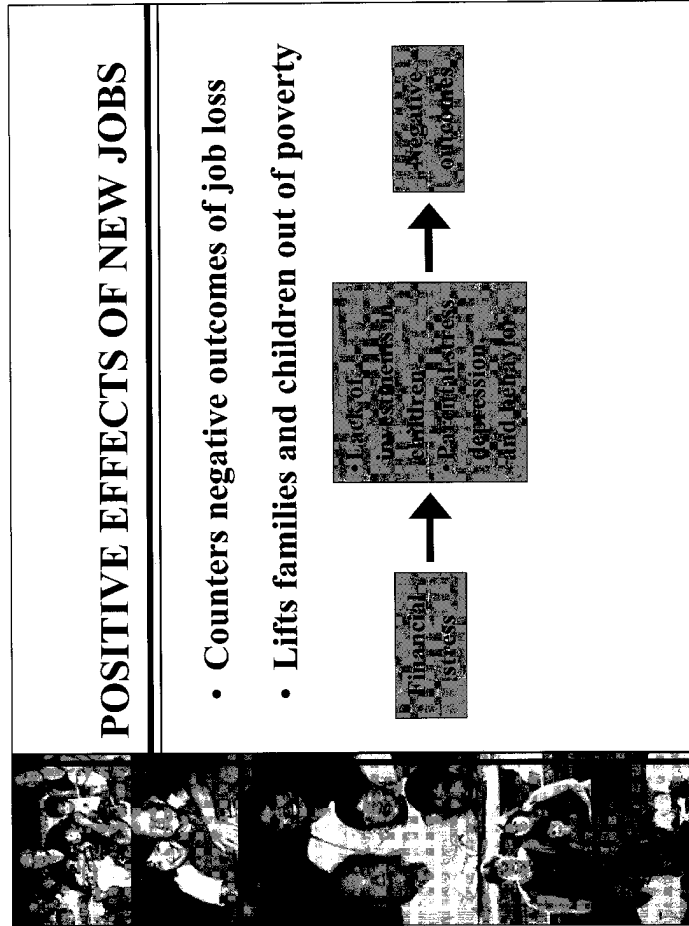


POSITIVE EFFECTS OF NEW JOBS

- Counters negative outcomes of job loss

*It's like part of your life is gone.
You're so proud of what you do,
then all of a sudden there's no job,
no money. Now what? Your pride,
everything goes down.*


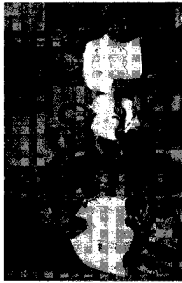
Unemployed sugar plantation worker


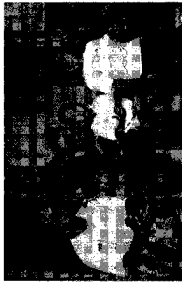



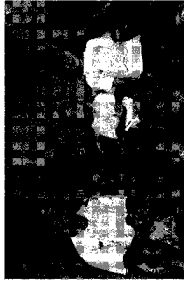


POSITIVE EFFECTS OF NEW JOBS

- **Counters negative outcomes of job loss**
- **Lifts families and children out of poverty**
- **Provides human and economic benefits to families and communities**

	<p>ISSUES FOR PROGRAMS AND POLICIES</p> <ul style="list-style-type: none">• Employment alone may not move families out of poverty 
--	--

	<p>ISSUES FOR PROGRAMS AND POLICIES</p> <ul style="list-style-type: none">• Employment alone may not move families out of poverty 
--	--



	<p>ISSUES FOR PROGRAMS AND POLICIES</p> <ul style="list-style-type: none">• Employment alone may not move families out of poverty• Compared to the past, workers today have different needs 
--	--



ISSUES FOR PROGRAMS AND POLICIES

Societal trends affecting families:

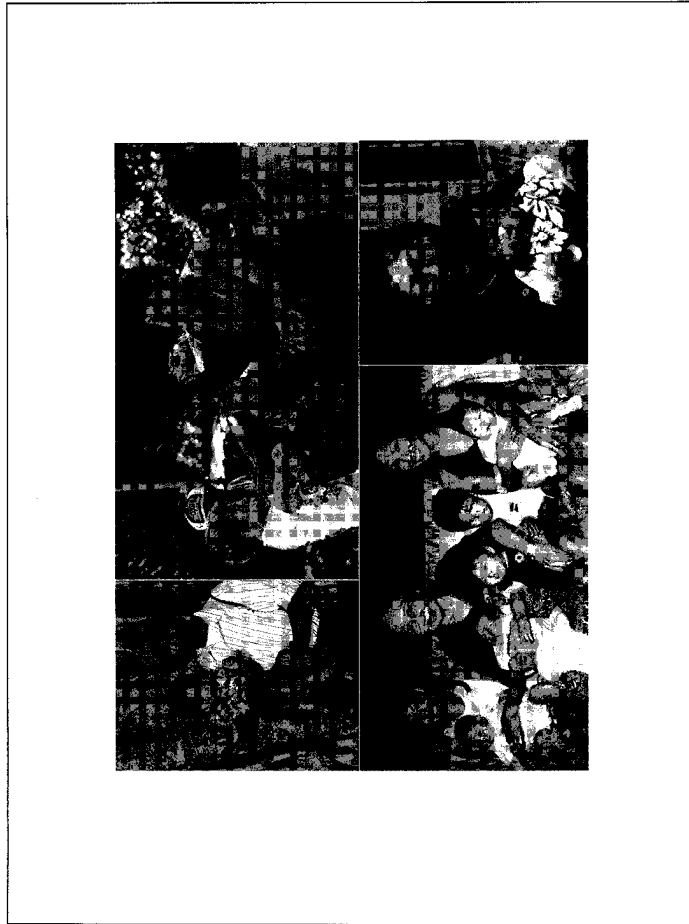
- **greater educational and employment opportunities for women**
- **rise in number of single parents, especially mothers**
- **more liberal views re: sexual activity and same sex couples**
- **increasing aging population**

	<p>ISSUES FOR PROGRAMS AND POLICIES</p>  <p>Greater Stress Among Parents</p> <ul style="list-style-type: none">• More hours working in 2000 vs. 1990• Less demarcation between home and work• Greatest challenge for parents: <i>balancing work and family</i>• Plight of low-income parents
--	--



ISSUES FOR PROGRAMS AND POLICIES

- **Employment alone may not move families out of poverty**
- **Compared to the past, workers today have different needs**
- **Managing money is a lesson that hasn't been taught**





**BUSINESS & YOUTH
WORKING TOGETHER**
www.bywt.org

**Connecting
Education & Employment
for Economic Development**

Jeff Bloom, CTA
Workforce Summit - January 20, 2004

Goal


- Workforce Development
- Economic Development
- Community Development



Businesses Can Help Create the Workforce We Need

- Open our doors to educators and youth
- Commit our time and expertise
- Provide real-world experiences
- Create a context for classroom learning





**BUSINESS & YOUTH
WORKING TOGETHER**
www.bywt.org

**Every child in Hawaii should have the
opportunity to participate in at least one
real-world project**

*Economic Growth, Skill Shortages,
and Labor Market Strategies*



Burt S. Barnow
Johns Hopkins University
Presentation prepared for the Hawaii Jobs Summit
Honolulu, Hawaii
January 20, 2004

Topics Covered



- Reasons for concern
- Occupational Skill Shortages: Lessons from prior work
- Rapid Growth in Construction: Lessons from selected states
- Conclusions and lessons for Hawaii

Reasons for Concern



- Hawaii is expecting major growth in the construction sector
- Given Hawaii's geographic location, there is concern about whether and how the increased demand for labor can be met
- Some population groups have high unemployment rates and may not share in opportunities

Occupational Skill Shortages



- Definitions
- Why they arise
- What can be done to clear the market

What Is a Skill Shortage?

- No universal definition
- “Social demand shortage”: less than we would like to have, but market clears
- Other models based on *disequilibrium*, with $D > S$ and gap not closing
- “Government or institutional rigidities”: wage fixed, supply limited, constraints on entry
- “Dynamic shortage”: Demand grows faster than supply, with gap not closing

Dimensions of a Shortage

- *Geographic scope:* can be local, regional, national, or international
- *Longevity:* Look at how long the shortage has existed and how long you might expect it to last
- *Severity:* How many vacancies are there? How much work is not being done?
- *Sub-specialty shortage:* Is it all IT workers or just certain specialties?

Why Might Markets Adjust too Slowly?

- Slow reaction time by employers
- Slow response time by employers
- Slow reaction time by potential workers
- Slow response time by potential workers
- Restrictions on occupational entry
- Continuous increases in demand

Adjustments to Shortages by Employers

- Increase recruiting efforts
 - increase advertising in usual outlets
 - advertise in other media
 - expand the recruiting area
 - use public or private employment agencies
 - pay bonuses to employees who bring in workers

Adjustments to Shortages by Employers
(Continued)

- Increase use of overtime
- Reduce minimum qualifications for the job
- Restructure work to use less of “shortage” occupations
- Substitute machinery and equipment for labor
- Train workers for the jobs

Adjustments to Shortages by Employers
(Continued)

- Improve working conditions
- Offer bonuses to new workers
- Offer stock options to workers
- Improve pay and fringe benefits
- Contract out work
- Turn down work

How Do You Know a Shortage When You See One?

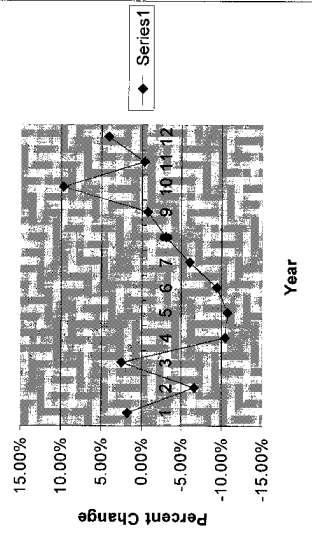


- Look for an increase in the *number* and *duration* of vacancies--if you can find the data
- Ask employers, but also ask workers
- Look for evidence of the adjustments described above--if missing, ask employers why
- Look at changes in wages, especially relative wages

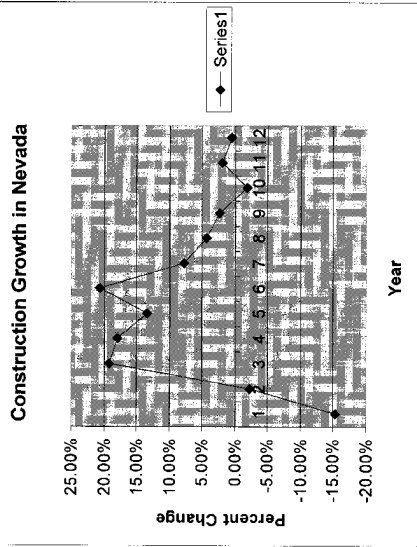
Construction Growth in Hawaii



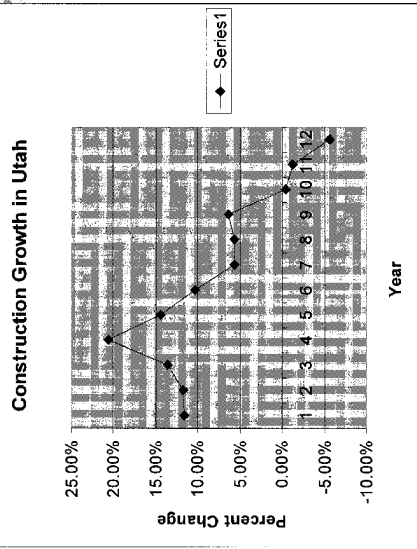
Construction Growth in Hawaii
1990-2002



Construction Growth in Nevada



Construction Growth in Utah



*Western States' Approach to Dealing
with Rapid Occupational Growth*

- States include Alaska in 1970s, Utah, and Nevada in 1990s
- States characterized by
 - Conservative political climate
 - Availability of workers from nearby states
- States used *laissez faire* approach: let the wages rise to attract new workers

Massachusetts' Approach to Dealing with Rapid Occupational Growth



- State characterized by:
 - Liberal philosophy
 - High unemployment and poverty of minority groups
- State actions for “big dig”:
 - \$11 billion construction project over 15 years had \$1.4 million/year career enhancement training program for first 8 years, then cut to \$300 million/year
 - Training program was administered by 9 community based organizations
 - Through 1999, program trained over 3,500 residents, mostly people of color, welfare recipients, unemployed, underemployed, and undereducated
 - Training included education and vocational training

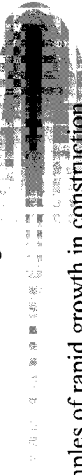
Lessons from Louisiana Shipyards

- Shipyards responded as theory predicts: recruiting intensified, use of brokers to obtain contract labor, increased training, and importation of labor from abroad
- Shipyards expanded training through apprenticeship and shorter “fast-track” training; the fast-track training had high attrition
- Presence of shortage depends on definition: fixed-price contracts made it difficult to obtain labor through increased wages

Lessons from the Information Technology Experience

- Our initial study of the IT industry indicated that in spite of employer concerns, there was not strong evidence of a shortage
- When the IT market tightened, there was a shortage, but employers overstated the magnitude and likely duration of the problem
- Even while a shortage, older workers and minorities had employment problems in the industry
- Bringing in workers on temporary visas may have avoided a more permanent glut of IT workers

Conclusions and Lessons for Hawaii



- There are a number of examples of rapid growth in construction
- Western states experiencing high growth tended to take a *laissez faire* approach, letting wages rise to attract workers
- Massachusetts wanted to assure that disadvantaged residents could participate, so a large targeted training program was established
- The right strategy for Hawaii depends on a number of factors:
 - How large is the expected growth?
 - How long will the surge last: will there be jobs for people trained after the current wave of projects is completed?
 - What is the status of the state's labor force—are there workers whose capabilities are currently under-utilized?
 - What is the state's overall philosophy on involvement—does the state want to take an active role or would it prefer to leave things to the market?

CONCLUSION OF HEARING

Senator INOUE. With that, thanks to all of you. We're going to go back, and we have received our marching orders, and the least we can do is try to deliver. We're pretty good in delivering.

Thank you all very much for being here. That concludes our hearing.

[Whereupon, at 12:20 p.m., Wednesday, February 18, 2004, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

○