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# A BILL FOR AN ACT

RELATING TO INNOVATION IN WORKFORCE DEVELOPMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 PART I

2 SECTION 1. The legislature finds that Hawaii's desire for  
3 economic growth that benefits all residents depends on building  
4 our State's human resources.

5 Realization of Hawaii's longstanding desire for economic  
6 diversification and sustainability turns on applying the State's  
7 high skilled resources to the creation and adoption of  
8 innovation across the economy.

9 This Act is part of an initial package of initiatives  
10 focusing on innovation introduced for the 2007 regular session.  
11 This package is intended to achieve:

12 (1) A twenty-first century workforce with science,  
13 technology, engineering, math, and problem-solving  
14 skills sufficient to ensure innovation and  
15 sustainability of Hawaii's economy;

16 (2) Higher education institutions as "drivers" for  
17 innovation;



- 1 (3) Continued public investment in the State's innovation  
2 infrastructure;
- 3 (4) Addressing the capital gap for Hawaii's emerging  
4 technology and creative industry companies;
- 5 (5) Opportunities for incumbent workers to engage in life-  
6 long learning and skill building;
- 7 (6) Residents and businesses with international exposure,  
8 orientation, and skills to interact with and compete  
9 in a global economy;
- 10 (7) An innovation environment that encourages the creation  
11 of new products and services that command global  
12 market share; and
- 13 (8) Analytical capability to assess policy performance and  
14 progress toward innovation economy objectives.

15 In particular, this Act provides for four initiatives:

- 16 (1) The establishment of a lifelong learning program and  
17 tax credit to support training to upgrade skills of  
18 the incumbent workforce;
- 19 (2) The establishment of a rapid response training program  
20 and revolving fund in the department of business,  
21 economic development, and tourism to facilitate rapid



1 custom training for high priority business  
2 investments;

3 (3) The establishment of a state level, "Kama`aina come  
4 home" program in the department of business, economic  
5 development, and tourism to attract former residents  
6 back into jobs in Hawaii's economy; and

7 (4) The merging of certain workforce and economic  
8 development programs of the departments of labor and  
9 industrial relations and business, economic  
10 development, and tourism to more effectively and  
11 efficiently build a high-skilled economy.

12 Hawaii completed a year of solid economic and workforce  
13 growth in 2006. For most of 2006, Hawaii also enjoyed the  
14 lowest unemployment rate in the nation. However, according to  
15 the state workforce development council, the current shortage  
16 may be a relatively modest precursor of a more serious long-term  
17 shortage in the future. The workforce development council  
18 expects that this will become most evident after the baby boom  
19 generation becomes eligible for full social security retirement  
20 around 2012. But already parts of the economy in which pensions  
21 will support earlier retirement, such as government, are



1 beginning to see an upturn in retirements. The duration of this  
2 coming shortage will be measured in decades not years. That is  
3 because the tail end of the baby boom generation will not reach  
4 the age of full social security retirement benefits (under  
5 current rules) until about 2031.

6 The latest projections from the department of labor and  
7 industrial relations, research and statistics office anticipate  
8 that reasonable expectations for growth in the economy, coupled  
9 with the need to replace workers leaving the workforce, will  
10 create a demand for about twenty-four thousand additional  
11 workers in Hawaii per year between 2004 and 2014. This is about  
12 twice the rate at which our youth will be arriving at workforce  
13 age. Moreover, 2014 is only two years into the baby boom  
14 retirement era. Retirements and separations will tend to  
15 accelerate through the following two decades.

16 In addition to the approaching, long-term labor shortage,  
17 studies point out two major weaknesses about Hawaii's workforce  
18 performance compared with top performing states.

19 First, Hawaii high school graduates are not adequately  
20 prepared for post-secondary training. A range of test score  
21 results Hawaii students from eighth grade through high school  
22 are significantly lower than the top states. The rates at which



1 high school graduates are enrolling in and completing post-  
2 secondary training also need to improve according to data  
3 collected by the National Center for Public policy and Higher  
4 Education.

5 Second, there is an inadequate focus on the need to  
6 increase the skill levels of incumbent workers to meet the  
7 rising skill need of an economy driven by more technology and  
8 competition. The workforce development council forum in the  
9 fall of 2006 concluded that employers need more information  
10 about training options and assistance in meeting the need to  
11 improve the skills of their workers.

12 Coupled with the emerging worker shortage, the weaknesses  
13 in preparing and upgrading our workforce have serious  
14 implications for Hawaii's ability to support a more knowledge-  
15 and innovation-intensive economy or raise its standard of living  
16 through a significant increase in higher paying jobs.

17 PART II

18 SECTION 2. This part establishes a lifelong learning  
19 accounts program in Hawaii, to encourage employer and employee  
20 investment in upgrading the skills of the incumbent workforce.

21 Lifelong learning accounts are employer-matched educational  
22 savings accounts used to finance workers' education and training.



1 The concept is for an individual worker to be able to contribute  
2 to a lifelong learning account and have that contribution  
3 matched by the employer, similar to a 401(k), but for education  
4 and training. Lifelong learning accounts encourage a  
5 partnership between workers and employers to effectively  
6 leverage resources to increase access to education and training.  
7 They are grounded in the idea that individual responsibility,  
8 choice, and empowerment are key building blocks for self-  
9 reliance.

10 Funding is provided to establish and administer a lifelong  
11 learning accounts program.

12 SECTION 3. Chapter 235, Hawaii Revised Statutes, is  
13 amended by adding two new sections to be appropriately  
14 designated and to read as follows:

15 "§235- Lifelong learning account tax credit. (a) Each  
16 individual taxpayer, who files an individual income tax return  
17 for a taxable year and who is not claimed or is not otherwise  
18 eligible to be claimed as a dependent by another taxpayer for  
19 Hawaii state individual income tax purposes, may claim a  
20 lifelong learning account tax credit equal to payments made by  
21 the taxpayer into a lifelong learning account during the taxable  
22 year against the taxpayer's net individual income tax liability

1 for the taxable year for which the individual's income tax return  
2 is being filed. An individual who has no income taxable under  
3 this chapter, and who is not claimed or is not otherwise  
4 eligible to be claimed as a dependent by a taxpayer for Hawaii  
5 state individual income tax purposes, may also claim this  
6 credit. The tax credit shall be as follows:

7       (1) The tax credit shall not exceed \$1,000 in aggregate  
8       for a husband and wife filing a joint return; provided  
9       that a husband and wife filing separate tax returns  
10       for a taxable year, for which a joint return could  
11       have been filed by them, shall claim only the tax  
12       credit to which they would have been entitled under  
13       this section had a joint return been filed; and

14       (2) The tax credit shall not exceed \$500 in the aggregate  
15       for all other taxpayers filing a return.

16       (b) The tax credit applies to payments made by the  
17 taxpayer during the taxable year into a qualified lifelong  
18 learning account for the benefit of the taxpayer.

19       (c) As used in this section:

20       "Lifelong learning account" means an individual asset  
21 account held by a trustee, custodian, or fiduciary approved by



1 the department of labor and industrial relations on behalf of  
2 the employee in the state.

3 (d) For the purpose of this credit, the "net income tax  
4 liability" means income tax liability reduced by all other  
5 credits allowed under this chapter. If the tax credits claimed  
6 by a taxpayer exceed the amount of income tax payment due from  
7 the taxpayer, the excess of credits over payments due shall be  
8 refunded to the taxpayer; provided that tax credits properly  
9 claimed by an individual who has no income tax liability shall  
10 be paid to the resident individual; and provided further that no  
11 refunds or payment on account of the tax credit allowed by this  
12 section shall be made for amounts less than \$1.

13 (e) All claims, including any amended claims, for tax  
14 credits under this section shall be filed on or before the end  
15 of the twelfth month following the close of the taxable year for  
16 which the credit may be claimed. Failure to comply with the  
17 foregoing provision shall constitute a waiver of the right to  
18 claim the credit.

19 (f) If a taxpayer claims any other tax credit or deduction  
20 under title 14, including a deduction under Section 162 or 213  
21 of the Internal Revenue Code, to which state law conforms, for  
22 premiums paid on a long-term care insurance policy, no credit



1 shall be claimed under this section for the same premium  
2 payments.

3 (g) The director of taxation shall prepare forms that may  
4 be necessary to claim a tax credit under this section. The  
5 director may also require the taxpayer to furnish information to  
6 ascertain the validity of the claims for a tax credit made under  
7 this section and may adopt rules necessary to effectuate the  
8 purposes of this section pursuant to chapter 91.

9 **"§235- Employer's tax credit for lifelong learning**  
10 **account matching funds paid for employees.** (a) Subject to the  
11 limitations of this section, an employer subject to taxation  
12 under this chapter may claim a non-refundable tax credit equal  
13 to the amount of payments made by the employer during the  
14 taxable year as matching payments to lifelong learning accounts  
15 for its employees. The maximum tax credit shall not exceed \$500  
16 during the taxable year for each employee on whose behalf  
17 qualified lifelong learning account matching payments are made.

18 (b) The credit allowed under this section shall be claimed  
19 against the employer's net income tax liability for the taxable  
20 year. If the tax credit under this section exceeds the  
21 taxpayer's income tax liability, the excess of the credit may be  
22 carried forward until exhausted.



1       (c) All claims, including any amended claims, for tax  
 2 credits under this section shall be filed on or before the end  
 3 of the twelfth month following the close of the taxable year for  
 4 which the credit may be claimed. Failure to comply with this  
 5 provision shall constitute a waiver of the right to claim the  
 6 credit.

7       (d) The director of taxation shall prepare forms that may  
 8 be necessary to claim a credit under this section. The director  
 9 may also require the taxpayer to furnish information to  
 10 ascertain the validity of the claims for deductions made under  
 11 this section and may adopt rules necessary to effectuate the  
 12 purposes of this section pursuant to chapter 91.

13       (e) As used in this section:

14       "Lifelong learning account" means an individual asset  
 15 account held by a trustee, custodian, or fiduciary approved by  
 16 the department of labor and industrial relations on behalf an  
 17 employee in the state. "

18       SECTION 4. Chapter 394, Hawaii Revised Statutes, is  
 19 amended by adding a new section to be appropriately designated  
 20 and to read as follows:



- 1        "§394- Lifelong learning accounts program. (a) There is  
2 established the lifelong learning accounts program.
- 3        (b) For the purposes of this section, "lifelong learning  
4 account" means an individual asset account held by a trustee,  
5 custodian, or fiduciary approved by the department of labor and  
6 industrial relations on behalf of an employee in the state. The  
7 moneys in the individual asset account shall be used only to pay  
8 education expenses incurred by or on behalf of the account  
9 owner.
- 10       (c) The department of labor and industrial relations shall  
11 use moneys appropriated for the lifelong learning accounts  
12 program to:
- 13       (1) Encourage both lower-income and lower-skilled  
14 healthcare, hospitality, and technology industry  
15 workers to participate in a lifelong learning account;
- 16       (2) Encourage the establishment of lifelong learning  
17 accounts in diverse geographic and economic areas and  
18 among differing sizes of firms, including healthcare,  
19 hospitality, and technology industry workers in urban,  
20 suburban, and rural areas of the state;



- 1        (3) Make technical assistance available to companies, and  
2        make educational and career advising available to  
3        individual participants;
- 4        (4) Document the process and outcomes in the establishment  
5        of lifelong learning accounts and prepare a report  
6        thereon; and
- 7        (5) Partially offset the contribution of low-income  
8        employees.
- 9        (d) In conformity with and subject to chapter 91, the  
10       director of labor and industrial relations shall make rules, not  
11       inconsistent with this chapter, which the director deems  
12       necessary for or conducive to its proper application and  
13       enforcement of this chapter.
- 14       (e) The department may enter into contracts with other  
15       government agencies, non-profit organizations, or for-profit  
16       firms in addressing the purpose and required activities of the  
17       lifelong learning accounts program.”
- 18       SECTION 5. There is appropriated out of the general  
19       revenues of the State of Hawaii the sum of \$1,000,000 or so much  
20       thereof as may be necessary for fiscal year 2007-2008 and the  
21       sum of \$1,000,000 or so much thereof as may be necessary for



1 fiscal year 2008-2009 to carry out the purposes of the lifelong  
2 learning accounts program.

3 The sums appropriated shall be expended by the department  
4 of labor and industrial relations for the purposes of this part.

5 PART III

6 SECTION 6. This part establishes a rapid response,  
7 technical training development program and revolving fund within  
8 the department of business, economic development, and tourism.  
9 The goal of the program shall be to work with employers,  
10 business and industry organizations, economic development  
11 agencies, workforce development agencies, and training providers  
12 to develop training programs for firms needing trained workers  
13 in critical technical skill sets that cannot be adequately  
14 addressed by existing training programs.

15 The rapid pace of changing technology in business and  
16 industry requires companies and workers to seek frequent skills  
17 upgrade training to remain competitive. This is a particularly  
18 critical need for technical sectors of the economy such as  
19 military contracting, high technology firms, biotechnology,  
20 firms in life science, and digital media firms. In addition,  
21 companies that are interested in expanding in, or relocating to



1 Hawaii, often face the challenge of finding a trained technical  
2 workforce in a matter of months.

3 The community college system has taken steps to develop an  
4 internal capacity to respond to rapid response training needs.  
5 Because a broader effort is needed to identify and work with the  
6 potential users of rapid response training, it is the intent of  
7 this Act to supplement, rather than replace funds for rapid  
8 response training that may be in the biennium budget of the  
9 University of Hawaii.

10 SECTION 7. Chapter 201, Hawaii Revised Statutes, is  
11 amended by adding a new part to be appropriately designated and  
12 to read as follows:

13 **"PART . RAPID RESPONSE TRAINING**

14 **§201- Rapid response training program.** (a) There is  
15 established the rapid response training program in the  
16 department of business, economic development, and tourism. The  
17 purpose of the program shall be to facilitate the development of  
18 a rapid response training capacity in Hawaii that will be  
19 capable of developing and delivering, for businesses and  
20 industries, short-term customized training programs, which  
21 cannot be provided in a timely fashion by existing training  
22 programs.



- 1 (b) The program shall achieve its purpose by:
- 2 (1) Working with the workforce development community,
- 3 county economic development boards, business and
- 4 industry associations, and other appropriate
- 5 entities to identify and market rapid response
- 6 custom training to the business community;
- 7 (2) Contracting with firms requesting customized
- 8 training to provide for the development and delivery
- 9 of such training;
- 10 (3) Contracting with appropriate training providers for
- 11 the development of customized training programs; and
- 12 (4) Upon commencement of training delivery, collecting
- 13 fees from contracted firms for the training of their
- 14 current or prospective employees.
- 15 (c) The department of business, economic development, and
- 16 tourism shall contract for the development of custom training
- 17 programs with educational and training resources in the public
- 18 and private sectors throughout the state, as may be appropriate
- 19 to accomplish the purpose of the program.
- 20 (d) The rapid response training program shall place a
- 21 priority on developing training programs that provide high-
- 22 skilled workers for jobs paying more than the median wage in new

1 or expanding businesses, and for which the rapid development and  
 2 delivery of training is important to the decision of the firm or  
 3 industry to make the proposed business investment. The program  
 4 shall also place priority on business expansions that propose to  
 5 train or retrain workers who are unemployed or facing  
 6 unemployment due to mass-layoff events.

7 (e) The program shall develop measures of program  
 8 performance to assess the impact of the training provided under  
 9 the rapid response program on the supply of high skilled workers  
 10 in the economy and the impact on the development of sustained,  
 11 new business activity.

12 **§201- . Rapid response training revolving fund. (a)**

13 There is established in the state treasury the rapid response  
 14 training revolving fund, into which shall be deposited:

- 15 (1) Appropriations by the legislature;
- 16 (2) Training fees paid by firms or other agencies and  
 17 organizations related to training services;
- 18 (3) Donations and contributions made by private  
 19 individuals or organizations for deposit into the  
 20 fund; and



1 (3) Grants or transfers of funds provided by governmental  
2 agencies or any other source.

3 (b) Moneys in the rapid response training revolving fund  
4 shall be used by the department:

5 (1) To contract with appropriate training providers for  
6 the development of rapid response custom training  
7 programs; and

8 (2) For administrative expenses, including but not limited  
9 to supplies, equipment, and services necessary for the  
10 appropriate administration of the rapid response  
11 training program. "

12 SECTION 8. There is appropriated out of the general  
13 revenues of the State of Hawaii the sum of \$500,000 for fiscal  
14 year 2007-2008 and the sum of \$500,000 for fiscal year 2008-2009  
15 to be paid into the rapid response training revolving fund.

16 The sums appropriated shall be expended by the department  
17 of business, economic development, and tourism for the purposes  
18 of this part. The sum appropriated under this part shall be in  
19 addition to, and not replace, funds requested in the University  
20 of Hawaii biennium budget for rapid response training program  
21 development.

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PART IV

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SECTION 9. This part establishes a statewide kama`aina come home program, that will assist the efforts of county, private sector, and state organizations to attract out-of-state, former Hawaii residents (kama`aina) back into Hawaii's economy.

Pioneering efforts to attract kama`aina back home have been developed by county economic development boards and the department of business, economic development, and tourism. The Hawaii county economic development board, which originated the "Kama`aina come home" brand, pioneered the concept in the 1990s and ever since, the counties and the State have run occasional events on the mainland to attract kama`aina.

SECTION 10. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**"§201- Establishment of kama`aina come home program.**

(a) There is established within the department of business, economic development, and tourism, the kama`aina come home program. The purpose of the program is to initiate new efforts, and support existing efforts by the county economic development boards and other agencies, organizations, and businesses, to

1 attract former Hawaii residents with high-demand work skills  
2 back into jobs in Hawaii's economy.

3 (b) The program shall pursue but not be limited to the  
4 following activities to achieve the purpose of the program:

5 (1) Development of a joint effort between the department,  
6 the county economic development boards, and major  
7 employers a series of periodic events in selected  
8 mainland U.S. cities to inform and recruit back to the  
9 state, skilled kama`aina based on actual employment  
10 opportunities;

11 (2) Development of or support of the development of a  
12 voluntary, ongoing data base of high school seniors in  
13 Hawaii, and establishment of methods to continuously  
14 track the residency of these graduates for the purpose  
15 of informing them about career opportunities in  
16 Hawaii; and

17 (3) Cooperation with the department to enhance the  
18 department's HIRENET job search web site to include  
19 specific information on Hawaii job opportunities and  
20 related information for out-of-state kama`aina.

21 (c) The department may enter into contracts with other  
22 government agencies, the county economic development boards,



1 other non-profit organizations, or for-profit firms in  
2 addressing the purpose and required activities of the program.

3 (d) The program shall establish measures of effectiveness  
4 regarding the effectiveness of the high school senior and out-  
5 of-state databases developed, the success of the out-of-state  
6 events at filling jobs in Hawaii, and the effectiveness of the  
7 HIRENET component to match out-of-state kama`aina with jobs  
8 under the program. "

9 SECTION 11. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$225,000 or so much  
11 thereof as may be necessary for fiscal year 2007-2008 and the  
12 sum of \$260,000 or so much thereof as may be necessary for  
13 fiscal year 2008-2009 to carry out the purposes of the kama`aina  
14 come home program.

15 Of the sums appropriated, \$190,000 for fiscal year 2007-  
16 2008 and \$250,000 for fiscal year 2008-2009 shall be expended by  
17 the department of business, economic development, and tourism  
18 for the purposes of this part. Of the sums appropriated,  
19 \$35,000 for fiscal year 2007-2008 and \$10,000 for fiscal year  
20 2008-2009 shall be expended by the department of labor and  
21 industrial relations for the purposes of this part.

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## 1 PART V

2 SECTION 12. This part improves the effectiveness of  
3 economic development and workforce development in the state by  
4 relocating certain key workforce development programs within the  
5 department of labor and industrial relations to the department  
6 of business, economic development, and tourism.

7 The need to merge economic development and workforce  
8 development efforts stems from the changing role of workforce  
9 development. In the past, federal and state workforce programs  
10 were targeted toward specific client groups that found entry  
11 into the labor market difficult. This included such populations  
12 as school dropouts, the disabled, welfare recipients, and other  
13 hard-to-hire groups. These groups are still important in  
14 workforce development. However, the main thrust of workforce  
15 development is undergoing a significant transformation from  
16 serving primarily client groups to the broader goal of supplying  
17 business's need for skilled, productive workers, especially in  
18 industries emerging as new economic drivers in the twenty-first  
19 century. This changing role has redirected workforce  
20 development from a social service orientation to an economic  
21 development orientation involving considerable collaboration  
22 with the business community. Moreover, as the baby boom



1 generation enters retirement age, the emerging critical issue  
2 for economic development is ensuring skilled labor replacement  
3 and growth to maintain a competitive growing economy. In  
4 effect, workforce and economic development are now two sides of  
5 the same coin. Each system maintains teams that deal with  
6 business, develop growth strategies, and generate research and  
7 policy recommendations. However, they are currently not doing  
8 these within the scope of a single coordinated plan for economic  
9 and workforce development. Nor are the activities of these  
10 systems coordinated to draw on the expertise and additional  
11 resources of one another.

12 A recent September 2005, study by the National Governors  
13 Association ("Aligning State Workforce Development and Economic  
14 Development Initiatives"), finds that organization consolidation  
15 can produce many benefits and lasting change that justify the  
16 effort, such as unified authority and its potential for ensuring  
17 more coordinated planning, implementation, and evaluation.

18 Other benefits include:

- 19 (1) Consistency and alignment through one broadly defined,  
20 clear mission;
- 21 (2) Greater resources under one roof that can be more  
22 flexibly and creatively applied;



- 1 (3) Greater accountability by all staff ultimately
- 2 answering to one organizational leader; and
- 3 (4) The potential for restructuring to institutionalize
- 4 desired changes in attitudes, behavior, and outcomes
- 5 that often motivate the effort and influence its
- 6 success.

7 The December 19, 2005, final report of the governor's  
 8 economic momentum commission also recommends the merger of the  
 9 workforce development programs of the department of labor and  
 10 industrial relations with the economic development programs of  
 11 the department of business, economic development, and tourism,  
 12 with the latter department providing strategic oversight and  
 13 coordination.

14 SECTION 13. Section 202-5, Hawaii Revised Statutes, is  
 15 amended to read as follows:

16 "**§202-5 Organizational relationships.** The workforce  
 17 development council is placed within the department of [~~labor~~  
 18 ~~and industrial relations~~] business, economic development, and  
 19 tourism for administrative purposes and shall act in an advisory  
 20 capacity to the governor."

21 SECTION 14. On July 1, 2008, the workforce development  
 22 division and office of research and statistics in the department



1 of labor and industrial relations, including rights, powers,  
2 functions duties and positions, shall be transferred to the  
3 department of business, economic development, and tourism.

4 SECTION 15. All officers and employees whose functions are  
5 transferred by this Act shall be transferred with their  
6 functions and shall continue to perform their regular duties  
7 upon their transfer, subject to the state personnel laws and  
8 this Act.

9 No officer or employee of the State having tenure shall  
10 suffer any loss of salary, seniority, prior service credit,  
11 vacation, sick leave, or other employee benefit or privilege as  
12 a consequence of this Act, and such officer or employee may be  
13 transferred or appointed to a civil service position without the  
14 necessity of examination; provided that the officer or employee  
15 possesses the minimum qualifications for the position to which  
16 transferred or appointed; and provided that subsequent changes  
17 in status may be made pursuant to applicable civil service and  
18 compensation laws.

19 An officer or employee of the State who does not have  
20 tenure and who may be transferred or appointed to a civil  
21 service position as a consequence of this Act shall become a  
22 civil service employee without the loss of salary, seniority,



1 prior service credit, vacation, sick leave, or other employee  
2 benefits or privileges and without the necessity of examination;  
3 provided that such officer or employee possesses the minimum  
4 qualifications for the position to which transferred or  
5 appointed.

6 If an office or position held by an officer or employee  
7 having tenure is abolished, the officer or employee shall not  
8 thereby be separated from public employment, but shall remain in  
9 the employment of the State with the same pay and classification  
10 and shall be transferred to some other office or position for  
11 which the officer or employee is eligible under the personnel  
12 laws of the State as determined by the head of the department or  
13 the governor.

14 All appropriations, records, equipment, machines, files,  
15 supplies, contracts, books, papers, documents, maps, and other  
16 personal property heretofore made, used, acquired, or held by  
17 the agencies, divisions, or offices transferred or placed for  
18 administrative purposes under this Act shall be transferred with  
19 the functions to which they relate.

20 All rules, policies, procedures, guidelines, and other  
21 material adopted or developed by the agencies, divisions or  
22 offices transferred or placed for administrative purposes under



1 this Act, shall remain in full force and effect until amended or  
2 repealed by the department of business, economic development,  
3 and tourism pursuant to chapter 91, Hawaii Revised Statutes.

4 All deeds, leases, contracts, loans, agreements, permits,  
5 or other documents executed or entered into by or on behalf of  
6 the agencies, divisions, or offices transferred or placed for  
7 administrative purposes under this Act, shall remain in full  
8 force and effect.

9 The department of business, economic development, and  
10 tourism and the department of labor and industrial relations,  
11 with the cooperation and assistance of the workforce development  
12 council shall prepare an implementation plan for the  
13 reorganization of the State's economic development and workforce  
14 development programs transferred or placed for administrative  
15 purposes under this Act and shall submit a report to the  
16 legislature not later than twenty days prior to the convening of  
17 the 2008 regular session. The report shall include but not be  
18 limited to:

- 19 (1) The implementation plan;  
20 (2) Recommendations for any additional statutory  
21 amendments that may be necessary to fully effectuate





**Report Title:**

Learning program/tax credit

**Description:**

Establishes a lifelong learning program and tax credit in the DLIR to support upgraded training for the incumbent workforce. Establishes a rapid response training program and revolving fund in DBEDT to facilitate rapid custom training for high priority business investments. Establishes a state level program in DBEDT to attract former residents back to Hawaii. Merges certain workforce and economic development programs of DLIR and DBEDT. Effective 07/01/2059 (HB1280 HD1).

