
A BILL FOR AN ACT

RELATING TO WORKFORCE DEVELOPMENT.

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

1 SECTION 1. The legislature finds that Hawaii's economy
2 depends on a highly skilled workforce to stay competitive and
3 that new means have to be explored and applied to ensure meeting
4 the constantly increasing demands on the workforce.

5 The legislature believes that in support of a national
6 effort to foster workforce development and to deal with the lack
7 of skilled workers, particularly health care workers, lifelong
8 learning accounts can be the means to develop the workforce
9 properly, and at the same time to fulfill an employer's needs
10 and to accomplish an individual's career goals. Lifelong
11 learning accounts are employer-matched, portable, individual
12 savings accounts used to finance education and training--similar
13 to an employer-sponsored retirement plan or 401(k) plan, but
14 used for skill building and career advancement. Lifelong
15 learning accounts provide tax incentives for both the employer
16 and the employee.

17 The purpose of this Act is to authorize the department of
18 business, economic development, and tourism to establish a pilot



1 program to test the use of lifelong learning accounts for
2 workers in the State's health care sector.

3 SECTION 2. Chapter 202, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§202- Lifelong learning accounts; pilot program. (a)

7 The department of business, economic development, and tourism
8 may establish and maintain a pilot program to provide for and
9 test the use of lifelong learning accounts for workers in the
10 State's health care sector.

11 (b) For purposes of this section, "lifelong learning
12 account" means an individual asset account held by a trustee,
13 custodian, or fiduciary approved by the department on behalf of
14 an employee in the health care sector, the moneys in which may
15 be used only to pay education expenses incurred by or on behalf
16 of the account owner.

17 (c) In administering a program under this section, the
18 department:

19 (1) May serve up to five hundred health care workers;

20 (2) Shall encourage the participation in the program of
21 low-income and low-skilled health care workers;



1 (3) Shall implement the program in diverse geographic and
2 economic areas and include healthcare workers in
3 urban, suburban, and rural areas of the State;

4 (4) Shall include in the program health care employers of
5 different sizes that choose to participate in the
6 program;

7 (5) Shall provide matching grants in an amount equal to
8 fifty per cent of the annual aggregate contribution
9 made by an employer and employee to the employee's
10 lifelong learning account, up to a maximum of \$500
11 annually for each grant; and

12 (6) Shall make available:

13 (A) Technical assistance to companies; and

14 (B) Educational and career advising to individual
15 participants.

16 (d) The establishment of a program under this section is
17 within the department's discretion and is subject to legislative
18 appropriation.

19 (e) The department may adopt rules necessary to administer
20 the section."

21 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect upon its approval.

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Report Title:

Lifelong Learning Accounts; Pilot Program

Description:

Authorizes the department of business, economic development, and tourism to establish lifelong learning accounts.

