## 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. (a) The legislature finds that Hawaii's desire
3	for economic growth that benefits all residents depends on
4	building 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	Legislative Package for 2007 Legislative Session
10	This Act is part of an initial package of initiatives
11	focusing on innovation introduced for the 2007 regular session.
12	This package is intended to achieve:
13	(1) A twenty-first century workforce with science,
14	technology, engineering, math, and problem-solving
15	skills sufficient to ensure innovation and
16	sustainability of Hawaii's economy;
17	(2) Higher education institutions as "drivers" for
18	innovation;

1	(3)	Conclined 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
6		life-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	(b)	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 in order to

1		facilitate rapid custom training for high priority
2		business 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 in order to more effectively
11		and efficiently build a high-skilled economy.
12	Hawa	ii completed a year of solid economic and workforce
13	growth in	2006. For most of 2006, Hawaii also enjoyed the
14	lowest un	employment 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 t	hat this will become most evident after the baby boom
19	generation	n becomes eligible for full social security retirement
20	around 20	12. But already parts of the economy in which pensions
21	will supp	ort earlier retirement, such as government, are
22		to see an upturn in retirements. The duration of this
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- 1 coming shortage will be measured in decades not years. That is
- 2 because the tail end of the baby boom generation will not reach
- 3 the age of full social security retirement benefits (under
- 4 current rules) until about 2031.
- 5 The latest projections from the department of labor, and
- 6 industrial relations, research and statistics office anticipate
- 7 that reasonable expectations for growth in the economy, coupled
- 8 with the need to replace workers leaving the workforce, will
- 9 create a demand for about 24,000 additional workers in Hawaii
- 10 per year between 2004 and 2014. This is about twice the rate at
- 11 which our youth will be arriving at workforce age. Moreover,
- 12 2014 is only two years into the baby boom retirement era.
- 13 Retirements and separations will tend to accelerate through the
- 14 following two decades.
- 15 In addition to the approaching, long-term labor shortage,
- 16 studies point out two major weaknesses about Hawaii's workforce
- 17 performance compared with top performing states.
- 18 First, Hawaii high school graduates are not adequately
- 19 prepared for post-secondary training. A range of test score
- 20 results for Hawaii students from eighth grade through high
- 21 school are significantly lower than the top states. The rates
- 22 at which high school graduates are enrolling in and completing

- 1 post-secondary training also needs to improve according to data
- 2 collected by the National Center for Public Policy and Higher
- 3 Education.
- 4 Second, there is an inadequate focus on the need to
- 5 increase the skill levels of incumbent workers to meet the
- 6 rising skill need of an economy driven by more technology and
- 7 competition. The workforce development council forum in the
- 8 fall of 2006 concluded that employers need more information
- 9 about training options and assistance in meeting the need to
- 10 improve the skills of their workers.
- 11 Coupled with the emerging worker shortage, the weaknesses
- 12 in preparing and upgrading our workforce have serious
- 13 implications for Hawaii's ability to support a more knowledge-
- 14 and innovation-intensive economy or raise its standard of living
- 15 through a significant increase in higher paying jobs.
- 16 PART II
- 17 SECTION 2. This part establishes a lifelong learning
- 18 accounts program in Hawaii, in order to encourage employer and
- 19 employee investment in upgrading the skills of the incumbent
- 20 workforce.
- 21 Lifelong learning accounts are employer-matched educational
- 22 savings accounts used to finance workers' education and

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- 1 training. The concept is for an individual worker to be able to
- 2 contribute to a lifelong learning account and have that
- 3 contribution matched by the employer, similar to a 401(k), but
- 4 for education and training. Lifelong learning accounts
- 5 encourage a partnership between workers and employers to
- 6 effectively leverage resources to increase access to education
- 7 and training. They are grounded in the idea that individual
- 8 responsibility, choice, and empowerment are key building bocks
- 9 for self-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 a new section to be appropriately designated
- 14 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 credit for payments made by the
- 21 taxpayer into a lifelong learning account during the taxable
- 22 year against the taxpayer's net individual income tax liability

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1	for the t	axable year for which the individual's income tax
2	return is	being filed. An individual who has no income or no
3	income ta	xable under this chapter and who is not claimed or is
4	not other	wise eligible to be claimed as a dependent by a
5	taxpayer	for Hawaii state individual income tax purposes may
6	also clai	m this 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 aggregate for
15		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	<u>learning</u>	account that covers the taxpayer.
19	<u>(c)</u>	As used in this section:
20	"Lif	elong learning account" means an individual asset
21	account h	eld by a trustee, custodian, or fiduciary approved by

- the department of labor and industrial relations on behalf of an employee in the State.
- 3 "Net income tax liability" means net income tax liability
- 4 reduced by all other credits allowed under this chapter.
- 5 (d) If the tax credits claimed by a taxpayer exceed the
- 6 amount of income tax payment due from the taxpayer, the excess
- 7 of credits over payments due shall be refunded to the taxpayer;
- 8 provided that tax credits properly claimed by an individual who
- 9 has no income tax liability shall be paid to the resident
- 10 individual; and provided further that no refunds or payment on
- 11 account of the tax credit allowed by this section shall be made
- 12 for amounts less than \$1.
- (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 (with
- 21 respect to trade or business expenses) or 213 (with respect to
- 22 medical, dental, etc., expenses) of the Internal Revenue Code,

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or tax credit, for premiums paid on a long-term care insurance 1 2 policy, no credit shall be claimed under this section for the 3 same premium payments. 4 (q) The director of taxation shall prepare any forms that may be necessary to claim a tax credit under this section. 5 6 director may also require the taxpayer to furnish information to 7 ascertain the validity of the claims for a tax credit made under 8 this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91." 9 SECTION 4. Chapter 235, Hawaii Revised Statutes, is 10 amended by adding a new section to be appropriately designated 11 12 and to read as follows: "§235- Employer's tax credit for lifelong learning 13 account matching funds paid for employees. (a) Subject to the 14 limitations of this section, an employer subject to taxation 15 16 under this chapter may claim a non-refundable tax credit for payments made by the employer during the taxable year to make 17 matching payments to lifelong learning accounts for its 18 employees. The maximum tax credit shall not exceed \$500 during 19 20 the taxable year for each employee on whose behalf qualified

lifelong learning account matching payments are made.

- 1 (b) The credit allowed under this section shall be claimed 2 against the net income tax liability for the taxable year. If 3 the tax credit under this section exceeds the taxpayer's income 4 tax liability, the excess of the credit may be carried forward 5 until exhausted. 6 (c) All claims, including any amended claims, for tax 7 credits under this section shall be filed on or before the end 8 of the twelfth month following the close of the taxable year for 9 which the credit may be claimed. Failure to comply with this 10 provision shall constitute a waiver of the right to claim the 11 credit. 12 The director of taxation shall prepare any forms that 13 may be necessary to claim a credit under this section. The 14 director may also require the taxpayer to furnish information to 15 ascertain the validity of the claims for deductions made under 16 this section and may adopt rules necessary to effectuate the 17 purposes of this section pursuant to chapter 91. 18 (e) As used in this section: 19 "Lifelong learning account" means an individual asset 20 account held by a trustee, custodian, or fiduciary approved by 21 the department of labor and industrial relations on behalf an 22 employee in the State."
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1	SECTION 5. Chapter 394, Hawaii Revised Statutes, is
2	amended by adding a new section to be appropriately designated
3	and to read as follows:
4	"§394- Lifelong learning accounts program. (a) There
5	is established the lifelong learning accounts program.
6	(b) For the purposes of this section, "lifelong learning
7	account" means an individual asset account held by a trustee,
8	custodian, or fiduciary approved by the department of labor and
9	industrial relations on behalf of an employee in the State. The
10	moneys in the individual asset account shall be used only to pay
11	education expenses incurred by or on behalf of the account
12	owner.
13	(c) The department shall use moneys appropriated for the
14	lifelong learning accounts program to:
15	(1) Encourage both lower-income and lower-skilled
16	healthcare, hospitality, and technology industry
17	workers to participate in a lifelong learning account;
18	(2) Encourage the establishment of lifelong learning
19	accounts in diverse geographic and economic areas,
20	among differing sizes of firms, and include
21	healthcare, hospitality, and technology industry

1		workers in urban, suburban, and rural areas of the
2		State;
3	(3)	Make technical assistance available to companies, and
4		make educational and career advising available to
5		individual participants;
6	(4)	Document the process and outcomes in the establishment
7		of lifelong learning accounts, and prepare a report
8		thereon, to be submitted to the legislature twenty
9		days prior to the convening of each regular session;
10		and
11	<u>(5)</u>	Partially offset the contribution of low-income
12		employees.
13	<u>(d)</u>	The director of labor and industrial relations may
14	adopt rul	es under chapter 91, that the director deems necessary
15	for or co	nducive to its proper application and enforcement of
16	this chap	ter.
17	<u>(e)</u>	The department may enter into contracts with other
18	governmen	t agencies, nonprofit organizations, or for-profit
19	firms in	addressing the purpose and required activities of the
20	lifelong	learning accounts program."
21		PART III

- 1 SECTION 6. This part establishes a rapid response,
- 2 technical training development program and revolving fund within
- 3 the department of business, economic development, and tourism.
- 4 The goal of the program shall be to work with employers,
- 5 business and industry organizations, economic development
- 6 agencies, workforce development agencies, and training providers
- 7 to develop training programs for firms needing trained workers
- 8 in critical technical skill sets that cannot be adequately
- 9 addressed by existing training programs.
- 10 The rapid pace of changing technology in business and
- 11 industry is requiring companies and workers to seek frequent
- 12 skills upgrade training in order to remain competitive. This is
- 13 a particularly critical need for technical sectors of the
- 14 economy such as military contracting, high technology firms,
- 15 biotechnology, firms in life science, and digital media firms.
- 16 In addition, companies that are interested in expanding in, or
- 17 relocating to Hawaii, often face the challenge of finding a
- 18 trained technical workforce in a matter of months.
- 19 The community college system has taken steps to develop an
- 20 internal capacity to respond to rapid response training needs.
- 21 Because a broader effort is needed to identify and work with the
- 22 potential users of rapid response training, it is the intent of

this part to supplement, rather than replace funds for rapid 1 2 response training that may be in the biennium budget of the University of Hawaii. 3 SECTION 7. Chapter 201, Hawaii Revised Statutes, is 4 5 amended by adding a new part to be appropriately designated and 6 to read as follows: 7 . RAPID RESPONSE TRAINING 8 Rapid response training program. (a) §201-There is 9 established the rapid response training program in the 10 department of business, economic development, and tourism. purpose of the program shall be to facilitate the development of 11 12 a rapid response training capacity in Hawaii that will be 13 capable of developing and delivering, for businesses and industries, short-term customized training programs, which 14 cannot be provided in a timely fashion by existing training 15 16 programs. The program shall achieve its purpose by: 17 (b) Working with the workforce development community, 18 (1)county economic development boards, business and 19

industry associations, and other appropriate entities

to identify and market rapid response custom training

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to the business community;

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1	(2)	Contracting with firms requesting customized training
2		to provide for the development and delivery of
3		training; and

- 4 (3) Contracting with appropriate training providers for
  5 the development of customized training programs and,
  6 upon commencement of training delivery, collecting
  7 fees from contracted firms for the training of their
  8 current or prospective employees.
- 9 (c) The department shall contract for the development of
  10 custom training programs with educational and training resources
  11 in the public and private sectors throughout the State, as may
  12 be appropriate to accomplish the purpose of the program.
- 13 The rapid response training program shall place a 14 priority on developing training programs that provide high 15 skilled workers for jobs paying more than the median wage in new 16 or expanding businesses, and for which the rapid development and 17 delivery of training is important to the decision of the firm or 18 industry to make the proposed business investment. The program 19 shall also place priority on business expansions that propose to 20 train or retrain workers unemployed or facing unemployment due 21 to mass-layoff events.

1	(e) The program shall develop measures of program
2	performance to assess the impact of the training provided under
3	the rapid response program on the supply of high skilled workers
4	in the economy and the impact on the development of sustained,
5	new business activity.
6	§201- Rapid response training revolving fund. (a)
7	There is established in the state treasury the rapid response
8	training revolving fund into which shall be deposited:
9	(1) Appropriations by the legislature;
10	(2) Training fees paid by firms or other agencies and
11	organizations related to training services;
12	(3) Donations and contributions made by private
13	individuals or organizations for deposit into the
14	fund; and
15	(4) Grants or transfers of funds provided by governmental
16	agencies or any other source.
17	(b) Moneys in the rapid response training revolving fund
18	shall be used by the department:
19	(1) To contract with appropriate training providers for
20	the development of rapid response custom training

programs; and

1	(2) For administrative expenses including, but not limited
2	to, supplies, equipment, and services necessary for
3	the appropriate administration of the rapid response
4	training program."
5	PART IV
6	SECTION 8. This part establishes a statewide kama'aina come
7	home program, that will assist the efforts of county, private
8	sector, and state organizations to attract out-of-state, former
9	Hawaii residents (kama'aina) back into Hawaii's economy.
10	Pioneering efforts to attract kama'aina back home have been
11	developed by county economic development boards and the
12	department of business, economic development, and tourism. The
13	Hawaii county economic development board, which originated the
14	"kama'aina come home" brand, pioneered the concept in the 1990s,
15	and the counties and the State have run occasional events on the
16	mainland to attract kama'aina.
17	SECTION 9. Chapter 201, Hawaii Revised Statutes, is
18	amended by adding a new section to be appropriately designated
19	and to read as follows:
20	"§201- Establishment of kama'aina come home program.
21	(a) There is established within the department of business,

1	economic	development, and tourism, the kama'aina come home
2	program.	The purpose of the program is to initiate new efforts,
3	and suppo	rt existing efforts by the county economic development
4	boards an	d other agencies, organizations, and businesses, to
5	attract f	ormer Hawaii residents with high-demand work skills
6	back into	jobs in Hawaii's economy.
7	(b)	The program shall pursue, but not be limited to, the
8	following	activities to achieve the purpose of the program:
9	(1)	Develop a joint effort between the department, the
10		county economic development boards, and major
11		employers to develop a series of periodic events in
12		selected mainland United States cities to inform, and
13		recruit back to the State, skilled kama'aina based on
14		actual employment opportunities;
15	(2)	Develop, or support the development of, a voluntary,
16		ongoing data base of high school seniors in Hawaii,
17		and establish methods to continuously track the
18		residency of these graduates for the purpose of
19		informing them about career opportunities in Hawaii;
20		and
21	(3)	Work with the department of labor and industrial
22		relations to enhance that department's HIRENET job

1	search web site to include specific information on
2	Hawaii job opportunities and related information for
3	out-of-state kama'aina.
4	(c) The department may enter into contracts with other
5	government agencies, the county economic development boards,
6	nonprofit organizations, or for-profit firms in addressing the
7	purpose and required activities of the program.
8	(d) The program shall establish measures of effectiveness
9	regarding the effectiveness of the high school senior and
10	out-of-state databases developed, the success of the out-of-
11	state events at filling jobs in Hawaii, and the effectiveness of
12	the HIRENET component to match out-of-state kama'aina with jobs
13	under the program."
14	PART V
15	SECTION 10. This part improves the effectiveness of
16	economic development and workforce development in the State by
17	relocating certain key workforce development programs within the
18	department of labor and industrial relations to the department
19	of business, economic development, and tourism.
20	The need to merge economic development and workforce
21	development efforts stems from the changing role of workforce
22	development. In the past, federal and state workforce programs
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1 were targeted towards specific client groups that found entry 2 into the labor market difficult. This included such populations 3 as school dropouts, the disabled, welfare recipients, and other 4 hard to hire groups. These groups are still important in 5 workforce development. However, the main thrust of workforce 6 development is undergoing a significant transformation from 7 serving primarily client groups to the broader goal of supplying 8 business's need for skilled, productive workers, especially in 9 industries emerging as new economic drivers in the twenty-first 10 century. This changing role has redirected workforce 11 development from a social service orientation to an economic 12 development orientation involving considerable collaboration 13 with the business community. Moreover, as the baby boom 14 generation enters retirement age the emerging critical issue for 15 economic development is ensuring skilled labor replacement and 16 growth to maintain a competitive growing economy. In effect, 17 workforce and economic development are now two sides of the same 18 coin. Each system maintains teams that deal with business, 19 develop growth strategies, and generate research and policy 20 recommendations. However, they are currently not doing these within the scope of a single coordinated plan for economic and 21 22 workforce development. Nor are the activities of these systems

- 1 coordinated to draw on the expertise and additional resources of
- 2 one another.
- 3 A recent, September 2005, study by the National Governors
- 4 Association ("Aligning State Workforce Development and Economic
- 5 Development Initiatives"), finds that organization consolidation
- 6 can produce many benefits and lasting change that justify the
- 7 effort, such as unified authority and its potential for ensuring
- 8 more coordinated planning, implementation, and evaluation.
- 9 Other benefits include: consistency and alignment through one
- 10 broadly defined, clear mission; greater resources under one roof
- 11 that can be more flexible and creatively applied, greater
- 12 accountability by all staff ultimately answering to one
- 13 organizational leader, and the potential for restructuring to
- 14 institutionalize desired changes in attitudes, behavior, and
- 15 outcomes that often motivate the effort and influence its
- 16 success.
- 17 The December 19, 2005, final report of the Governor's
- 18 Economic Momentum Commission also recommends the merger of the
- 19 workforce development programs of the department of labor and
- 20 industrial relations with the economic development programs of
- 21 the department of business, economic development, and tourism,

- 1 with the latter department providing strategic oversight and
- 2 coordination.
- 3 SECTION 11. Section 202-5, Hawaii Revised Statutes, is
- 4 amended to read as follows:
- 5 "§202-5 Organizational relationships. The workforce
- 6 development council is placed within the department of [labor
- 7 and industrial relations] business, economic development, and
- 8 tourism for administrative purposes and shall act in an advisory
- 9 capacity to the governor."
- 10 SECTION 12. On July 1, 2008, the workforce development
- 11 division and the office of research and statistics in the
- 12 department of labor and industrial relations, including rights,
- 13 powers, functions, duties and positions, shall be transferred to
- 14 the department of business, economic development, and tourism.
- 15 SECTION 13. All officers and employees whose functions are
- 16 transferred by this Act shall be transferred with their
- 17 functions and shall continue to perform their regular duties
- 18 upon their transfer, subject to the state personnel laws and
- 19 this Act.
- No officer or employee of the State having tenure shall
- 21 suffer any loss of salary, seniority, prior service credit,
- 22 vacation, sick leave, or other employee benefit or privilege as

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appointed.

- 1 a consequence of this Act, and such officer or employee may be 2 transferred or appointed to a civil service position without the 3 necessity of examination; provided that the officer or employee 4 possesses the minimum qualifications for the position to which 5 transferred or appointed; and provided that subsequent changes 6 in status may be made pursuant to applicable civil service and 7 compensation laws. 8 An officer or employee of the State who does not have 9 tenure and who may be transferred or appointed to a civil 10 service position as a consequence of this Act shall become a 11 civil service employee without the loss of salary, seniority, 12 prior service credit, vacation, sick leave, or other employee 13 benefits or privileges and without the necessity of examination; 14 provided that the officer or employee possesses the minimum
- If an office or position held by an officer or employee

  having tenure is abolished, the officer or employee shall not

  thereby be separated from public employment, but shall remain in

  the employment of the State with the same pay and classification

  and shall be transferred to some other office or position for

qualifications for the position to which transferred or

which the officer or employee is eligible under the personnel

- 1 laws of the State as determined by the head of the department or
- 2 the governor.
- 3 All appropriations, records, equipment, machines, files,
- 4 supplies, contracts, books, papers, documents, maps, and other
- 5 personal property heretofore made, used, acquired, or held by
- 6 the agencies, divisions, or offices transferred or placed for
- 7 administrative purposes under this Act shall be transferred with
- 8 the functions to which they relate.
- 9 All rules, policies, procedures, guidelines, and other
- 10 material adopted or developed by the agencies, divisions, or
- 11 offices transferred or placed for administrative purposes under
- 12 this Act, shall remain in full force and effect until amended or
- 13 repealed by the department of business, economic development,
- 14 and tourism pursuant to chapter 91, Hawaii Revised Statutes.
- 15 All deeds, leases, contracts, loans, agreements, permits,
- 16 or other documents executed or entered into by or on behalf of
- 17 the agencies, divisions, or offices transferred or placed for
- 18 administrative purposes under this Act, shall remain in full
- 19 force and effect.
- 20 SECTION 14. The department of business, economic
- 21 development, and tourism and the department of labor and
- 22 industrial relations, with the cooperation and assistance of the

- 1 workforce development council shall prepare an implementation
- 2 plan for the reorganization of the State's economic development
- 3 and workforce development programs transferred or placed for
- 4 administrative purposes under this Act and shall submit a report
- 5 to the legislature not later than twenty days prior to the
- 6 convening of the 2008 regular session. The report shall include
- 7 but not be limited to the implementation plan, recommendations
- 8 for any additional statutory amendments that may be necessary to
- 9 fully effectuate the implementation plan and the purposes of
- 10 this Act, and proposed legislation containing the recommended
- 11 statutory amendments.
- 12 SECTION 15. If any part of this Act is found to be in
- 13 conflict with federal requirements that are a prescribed
- 14 condition for the allocation of federal funds to the State, the
- 15 conflicting part of this Act is inoperative solely to the extent
- 16 of the conflict and with respect to the agencies directly
- 17 affected, and this finding does not affect the operation of the
- 18 remainder of this Act in its application to the agencies
- 19 concerned. The rules under this Act shall meet federal
- 20 requirements that are a necessary condition to the receipt of
- 21 federal funds by the State.

1 SECTION 16. There is appropriated out of the general 2 revenues of the State of Hawaii the sum of \$ , or so 3 much thereof as may be necessary for fiscal year 2007-2008, and 4 the same sum, or so much thereof as may be necessary for fiscal 5 year 2008-2009, to carry out the purposes of the lifelong 6 learning accounts program. 7 The sums appropriated shall be expended by the department of labor and industrial relations. 8 9 SECTION 17. There is appropriated out of the general 10 revenues of the State of Hawaii the sum of \$ 11 fiscal year 2007-2008, and the same sum, for fiscal year 12 2008-2009, to be paid into the rapid response training revolving 13 fund. 14 The sums appropriated shall be expended by the department 15 of business, economic development, and tourism for the purposes 16 of the fund. The sums appropriated under this section shall be 17 in addition to, and not replace, funds requested in the 18 University of Hawaii biennium budget for rapid response training 19 program development. 20 SECTION 18. There is appropriated out of the general 21 revenues of the State of Hawaii the sum of \$ , or so

much thereof as may be necessary for fiscal year 2007-2008, and

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1 the sum of \$ , or so much thereof as may be necessary 2 for fiscal year 2008-2009, to carry out the purposes of the 3 kama'aina come home program. Of the sums appropriated, \$ , for fiscal year 4 5 2007-2008 and \$ , for fiscal year 2008-2009 shall be 6 expended by the department of business, economic development, 7 and tourism for the purposes of the program. Of the sums 8 appropriated, \$ , for fiscal year 2007-2008 and 9 , for fiscal year 2008-2009 shall be expended by the department of labor and industrial relations for the purposes of 10 11 the program. 12 SECTION 19. Statutory material to be repealed is bracketed 13 and stricken. New statutory material is underscored. 14 SECTION 20. This Act shall take effect on July 1, 2045; 15 provided that sections 3 and 4 shall apply to taxable years

beginning after December 31,

## Report Title:

Learning Program; Tax Credit

## Description:

Establishes a lifelong learning program and tax credit in the department of labor and industrial relations to support upgraded training for the incumbent workforce; establishes a rapid response training program and revolving fund in the department of business, economic development, and tourism to facilitate rapid custom training for high priority business investments; establishes a program to attract former residents back to Hawaii; merges certain workforce and economic development programs; appropriates funds for implementation. (SD1)