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# A BILL FOR AN ACT

RELATING TO WORKFORCE DEVELOPMENT.

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

1 PART I

2 SECTION 1. Chapter 202, Hawaii Revised Statutes, is  
3 amended by adding three new sections to be appropriately  
4 designated and to read as follows:

5 "§202- Baby boom generation commission; establishment;

6 members. (a) There is established within the department of  
7 labor and industrial relations for administrative purposes a  
8 baby boom generation commission to advise and assist in the  
9 retention and attraction of baby boomers in the statewide  
10 workforce.

11 (b) The baby boom generation commission shall consist of  
12 fifteen voting members to be appointed by the governor pursuant  
13 to section 26-34; provided that:

14 (1) Each voting member shall have been born no earlier  
15 than 1946 and no later than 1964 and shall serve a  
16 term of three years;

17 (2) Voting members shall reflect diversity in:

18 (A) Geographic locations in the State;



1            (B) Public, private, and nonprofit sector employment  
2            experience;

3            (C) Urban and rural residency;

4            (D) Racial, ethnic, and cultural heritage; and

5            (E) Full-time and part-time state residents.

6            (c) Voting members shall include a representative of:

7            (1) The department of labor and industrial relations;

8            (2) The Hawaii workforce development council;

9            (3) The department of human resource development;

10           (4) The University of Hawaii;

11           (5) The University of Hawaii community colleges;

12           (6) County economic development boards;

13           (7) The Hawaii Primary Care Association;

14           (8) Unions;

15           (9) Public and private for-profit and nonprofit employers;

16           and

17           (10) Other interested, relevant agencies or organizations.

18           (d) Two members of the senate and two members of the house

19 of representatives shall serve as nonvoting, ex-officio members

20 of the commission; provided that:

21           (1) The members from each chamber shall not be of the same

22           political party;



1       (2) Senate members shall be appointed by the president of  
2       the senate after consultation with the majority and  
3       minority party leaders of the senate; and

4       (3) House members shall be appointed by the speaker of the  
5       house of representatives after consultation with the  
6       majority and minority party leaders of the house of  
7       representatives.

8       (e) Members of the commission shall serve without  
9       compensation, but shall be entitled to reimbursement for travel  
10      and other expenses necessary for performance of their duties.

11      (f) The commission shall elect annually a chairperson and  
12      a vice-chairperson from among the voting members.

13      §202- Purpose of commission. The baby boom generation  
14      commission shall:

15      (1) Determine the impact of members of the baby boom  
16      generation retiring from the state workforce;

17      (2) Develop educational programs or training options to  
18      provide baby boomers with certification or other  
19      required skills or qualifications to fill anticipated  
20      future vacancies in high-demand and higher-skilled  
21      jobs;



1       (3) Implement the lifelong learning accounts program to  
2       encourage employers and employees to invest in  
3       education savings accounts to assist baby boom  
4       generation employees in financing continuing education  
5       or training to transition to a new career, especially  
6       in high-skill jobs and in fields with worker  
7       shortages;

8       (4) Develop and make available for employers best practice  
9       guidelines on retaining and attracting baby boom  
10       employees; and

11       (5) Advise and assist state and county agencies in  
12       activities designed to retain and attract baby boom  
13       generation members.

14       §202-    **Reports.** (a) No later than twenty days prior to  
15       the convening of the regular session of 2010, the commission  
16       shall submit to the governor and the legislature a written  
17       report of findings and recommendations, including any proposed  
18       legislation, regarding:

19       (1) The status of efforts to retain and to attract baby  
20       boom generation members to the workforce, statewide,  
21       including individuals who reside outside the State for  
22       part of the year;



1            "§235- Lifelong learning account tax credit. (a) Each  
2 individual taxpayer, who files an individual income tax return  
3 for a taxable year and who is not claimed or is not eligible to  
4 be claimed as a dependent by another taxpayer for Hawaii state  
5 individual income tax purposes, may claim a lifelong learning  
6 account tax credit equal to payments made by the taxpayer into a  
7 lifelong learning account during the taxable year against the  
8 taxpayer's net individual income tax liability for the taxable  
9 year for which the individual's income tax return is being  
10 filed. An individual who has no income taxable under this  
11 chapter, and who is not claimed or is not otherwise eligible to  
12 be claimed as a dependent by a taxpayer for Hawaii state  
13 individual income tax purposes, may also claim this credit. The  
14 tax credit shall be as follows:

15            (1) The tax credit shall not exceed \$            in  
16            aggregate for a husband and wife filing a joint  
17            return; provided that a husband and wife filing  
18            separate tax returns for a taxable year, for which a  
19            joint return could have been filed by them, shall  
20            claim only the tax credit to which they would have  
21            been entitled under this section had a joint return  
22            been filed; and





1 this section and may adopt rules necessary to effectuate the  
2 purposes of this section pursuant to chapter 91.

3 (f) As used in this section:

4 "Lifelong learning account" means an individual asset  
5 account held by a trustee, custodian, or fiduciary approved by  
6 the department of labor and industrial relations on behalf of an  
7 employee in the State.

8 "Net income tax liability" means income tax liability  
9 reduced by all other credits allowed under this chapter.

10 If the tax credits claimed by a taxpayer exceed the amount  
11 of income tax payment due from the taxpayer, the excess of  
12 credits over payments due shall be refunded to the taxpayer;  
13 provided that:

14 (1) Tax credits properly claimed by an individual who has  
15 no income tax liability shall be paid to the resident  
16 individual; and

17 (2) No refunds or payment on account of the tax credit  
18 allowed by this section shall be made for amounts less  
19 than \$1.

20 **§235- Employer's tax credit for lifelong learning**  
21 **account matching funds paid for employees.** (a) Subject to the  
22 limitations of this section, an employer subject to taxation





1 under this chapter may claim a non-refundable tax credit equal  
2 to the amount of payments made by the employer during the  
3 taxable year as matching payments to lifelong learning accounts  
4 for its employees. The maximum tax credit shall not exceed  
5 \$ \_\_\_\_\_ during the taxable year for each employee on whose  
6 behalf qualified lifelong learning account matching payments are  
7 made.

8 (b) The credit allowed under this section shall be claimed  
9 against the employer's net income tax liability for the taxable  
10 year. If the tax credit under this section exceeds the  
11 taxpayer's income tax liability, the excess of the credit may be  
12 carried forward until exhausted.

13 (c) 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 this  
17 provision shall constitute a waiver of the right to claim the  
18 credit.

19 (d) The director of taxation shall prepare forms that may  
20 be necessary to claim a credit under this section. The director  
21 may also require the taxpayer to furnish information to  
22 ascertain the validity of the claims for deductions made under



1 this section and may adopt rules necessary to effectuate the  
2 purposes of this section pursuant to chapter 91.

3 (e) As used in this section, "lifelong learning account"  
4 means an individual asset account held by a trustee, custodian,  
5 or fiduciary approved by the department of labor and industrial  
6 relations on behalf of an employee in the State."

7 SECTION 3. Chapter 394, Hawaii Revised Statutes, is  
8 amended by adding a new section to be appropriately designated  
9 and to read as follows:

10 "§394- Lifelong learning accounts program. (a) There  
11 is established within the department of labor and industrial  
12 relations the lifelong learning accounts program.

13 The lifelong learning account is an individual asset  
14 account that shall be held by a trustee, custodian, or fiduciary  
15 approved by the department of labor and industrial relations on  
16 behalf of an employee in the State. The moneys in the  
17 individual asset account shall be used only to pay education  
18 expenses incurred by or on behalf of the account owner.

19 (b) The department of labor and industrial relations shall  
20 use moneys appropriated for the lifelong learning accounts  
21 program to:



- 1        (1) Encourage both lower-income and lower-skilled  
2        healthcare, hospitality, and technology industry  
3        workers to participate in a lifelong learning account;
- 4        (2) Encourage the establishment of lifelong learning  
5        accounts in diverse geographic and economic areas and  
6        among differing sizes of firms, including healthcare,  
7        hospitality, and technology industry workers in urban,  
8        suburban, and rural areas of the State;
- 9        (3) Make technical assistance available to companies, and  
10       make educational and career advising available to  
11       individual participants;
- 12       (4) Document the process and outcomes in the establishment  
13       of lifelong learning accounts and prepare a report  
14       thereon; and
- 15       (5) Partially offset the contribution of low-income  
16       employees.
- 17       (c) In conformity with and subject to chapter 91, the  
18       director of labor and industrial relations shall adopt rules to  
19       effectuate this chapter.
- 20       (d) The department may enter into contracts with other  
21       government agencies, non-profit organizations, or for-profit



1 firms in addressing the purpose and required activities of the  
2 lifelong learning accounts program."

3 SECTION 4. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so  
5 much thereof as may be necessary for fiscal year 2009-2010 and  
6 the same sum or so much thereof as may be necessary for fiscal  
7 year 2010-2011 to carry out the purposes of the lifelong  
8 learning accounts program.

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

11 SECTION 5. New statutory material is underscored.

12 SECTION 6. This Act shall take effect on July 1, 2009.

13

INTRODUCED BY: Andy Evans

JAN 21 2009



**Report Title:**

Workforce Development; Lifelong Learning Accounts; Baby Boomers

**Description:**

Establishes baby boom generation commission to determine impact of baby boomers leaving the workforce and how to retrain baby boomers to fill anticipated vacancies in the workforce.

Establishes lifelong learning accounts and tax credits to finance retraining. Establishes lifelong learning program in DLIR. Appropriates funds.

