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Lingle outlines initiatives to revamp economy

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By [Derrick DePledge](#)

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Gov. Linda Lingle appeared before state House and Senate committees on Tuesday for the first time this session, stressing key parts of her two-year, \$30 million innovation package to shift the state's economy away from land development.

Democrats greeted the Republican governor's proposals respectfully but many said they doubted the package would survive the session intact. The Lingle ideas that parallel those of majority Democrats — such as investments in digital media and workforce development — may have the best chances of passing in some form, along with creative items such as a music partnership that would link the Islands with Nashville, Tenn.

But many Democrats said that while they share and appreciate Lingle's vision, they would likely advance their own initiatives on innovation.

"The rapid pace of changing technology in business and industry is requiring companies and workers to seek frequent skills upgrade training in order to remain competitive," Lingle told the House Labor and Public Employment Committee on Tuesday morning.

LEARNING ACCOUNTS

The governor asked lawmakers to create lifelong learning accounts, where workers would set aside pre-tax money, matched by their employer, for education or job training. The state, she said, also should establish a rapid response training program to prepare workers for changes in the job market, either when new companies come to the Islands or when existing businesses close or move away. The state also should keep better track of talented workers who leave the Islands for school or work in the hopes of bringing them back when there are job opportunities.

Ted Liu, the director of the state Department of Business, Economic Development and Tourism, who appeared with Lingle, said the lifelong learning accounts could be the most significant part of the governor's innovation package. The accounts would be portable and similar to 401(k) savings accounts where workers could place money that would be matched by up to \$500 a year by their employer. For low-income workers, the state would match the worker's investment up to \$250 so the worker could get the full \$500 match from their employer.

"This is the bill that I am most passionate about," Liu testified.

State Rep. Alex Sonson, D-35th (Pearl City, Waipahu), the chairman of the committee, said he liked the vision behind the accounts but wanted to hear more from the people who might benefit. "Right now, it's a vision. It's a concept. But I'm disappointed that there was no input from business and labor," he said after the hearing.

In the afternoon, Lingle spoke before the Senate Economic Development and Taxation Committee about aspects of her package that would create a digital media center, an incubator for life sciences and technology research, an innovation investment fund, and a music development program at Honolulu Community College that would link with Belmont University in Nashville.

"They all are focused on the same thing, and that is how do we raise the standard of living of all the people in our state while decreasing an over-reliance on land development as the foundation of our economy?" Lingle said.



Gov. Linda Lingle and staff members Nelson Befitel, left, and Ted Liu appeared before the House Labor and Public Employment Committee.

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'GOOD DISCUSSION'

The Senate has a similar proposal on digital media involving the Academy for Creative Media at the University of Hawai'i, and senators appeared interested in hearing more about the life sciences incubator and the music program. Lingle also is likely to face more questions about her idea to move \$100 million from the state Employee Retirement System into an innovation investment fund.

"I think we had a good discussion," state Sen. Carol Fukunaga, D-11th (Makiki, Pawa'a), the chairwoman of the committee, said afterward. "But I would say it's hard for one big package to move intact."

EDUCATION PLANS

Lingle is scheduled to testify Wednesday afternoon before the House Education Committee and the House Higher Education Committee on her recommendations to create public school academies for science and technology and scholarships for students who promise to study the subjects in college.

Some House lawmakers are asking whether the academies might duplicate or compete with existing programs at schools, such as Project EAST (Environmental and Spatial Technology), a project-based class that exposes students from all backgrounds to technology. Lawmakers are considering expanding the program because it is a proven model.

Lawmakers also have questions about the cost of the technology scholarship program and what would happen if students who get the scholarships take jobs on the Mainland or pursue other types of work. Some also ask whether the state should provide similar incentives to help fill shortages for nurses, teachers or social workers.

"No, it's not going to survive intact," state Rep. Roy Takumi, D-36th (Pearl City, Momilani, Pacific Palisades), the chairman of the House Education Committee, said of Lingle's innovation package. "And I think even the proponents acknowledge that it's a work in progress."

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