

MAR 13 2007

SENATE CONCURRENT RESOLUTION

ESTABLISHING A LEGISLATIVE INTERIM TASK FORCE TO STUDY AND MAKE
RECOMMENDATIONS FOR THE CREATION OF UNIVERSAL CHILDREN'S
SAVINGS ACCOUNTS.

1 WHEREAS, economic stability does not arise solely from
2 income; and

3
4 WHEREAS, financial assets, such as cash savings, stocks,
5 bonds, and home and business equity, are a critical component of
6 economic security; and

7
8 WHEREAS, financial assets offer individuals a viable and
9 hopeful future, stimulate development of human and other
10 capital, and enhance the welfare of children; and

11
12 WHEREAS, the rate of family savings is the lowest that it
13 has been since the great depression and research indicates that
14 twenty-five per cent of households in Hawaii are "asset poor";
15 and

16
17 WHEREAS, one of the most novel and promising ways to
18 achieve a universal, progressive asset building system over time
19 is to provide each generation of children with a universal
20 children's savings account which is a restricted, start-in-life
21 asset account at birth that could be used for education,
22 homeownership, or starting a business; now, therefore,

23
24 BE IT RESOLVED by the Senate of the Twenty-fourth
25 Legislature of the State of Hawaii, Regular Session of 2007, the
26 House of Representatives concurring, that the Senate Committee
27 on Human Services and Public Housing and the House Committee on
28 Human Services and Housing convene as a legislative interim task
29 force to study and make recommendations regarding the creation
30 of progressively-funded universal children's savings accounts to
31 be created at birth for every child in Hawaii; and
32



1 BE IT FURTHER RESOLVED that the goal of the study is to
2 increase the savings and financial literacy in the State, by
3 increasing the number of Hawaii children who own assets, attend
4 post-secondary education or training, purchase a home, or open a
5 small business through universal children's savings accounts;
6 and
7

8 BE IT FURTHER RESOLVED that the task force shall consider
9 the following in its recommendations for the design of universal
10 children's savings accounts:
11

- 12 (1) Savings vehicle - rate of return, safety of the
13 investment and insurance for the account, ease of
14 managing the account, ease of making various forms of
15 deposits;
16
- 17 (2) State contributions - the state contribution to the
18 initial deposit, the amount, time frame and
19 eligibility requirements to receive state matching
20 dollars, the mechanisms to distribute state
21 contributions, the estimate costs and benefits;
22
- 23 (3) Ownership of the account - impact on eligibility for
24 student financial aid, public assistance and other
25 public benefits, taxation of the account earnings and
26 distributions;
27
- 28 (4) Financial education - provision of financial education
29 to child and family, access to additional financial
30 services;
31
- 32 (5) Restrictions - withdrawal or distribution prior to the
33 child reaching age eighteen, portability of the
34 account, limits on permissible uses of the account;
35
- 36 (6) Revenue sources - for the initial deposit and any
37 savings match, feasibility of a state match for
38 deposits for children in low-income families;
39
- 40 (7) Mechanisms for data collection and tracking; and
41
- 42 (8) Any other factors that the task force deems important
43 to the program design; and
44



1 BE IT FURTHER RESOLVED that the task force include public
2 input from a representative of an organization with expertise in
3 asset building in Hawaii; an operator of an individual
4 development account/matched savings and financial education
5 program; a grassroots organizing entity; a poverty law
6 organization; a business association; a bankers professional
7 association; a child advocacy organization; a rural community
8 action program; organized labor; a bank; a credit union; and an
9 investment services provider; and

10
11 BE IT FURTHER RESOLVED that the following officials are
12 requested to serve as ex-officio members of the task force: the
13 Director of Budget and Finance or the Director's designee, the
14 Director of the Department of Commerce and Consumer Affairs or
15 the Director's designee; the Director of Business, Economic
16 Development, and Tourism or the Director's designee; the
17 Director of Human Services or the Director's designee; the
18 Director of Taxation or the Director's designee; and the
19 President of the University of Hawaii or the President's
20 designee; and

21
22 BE IT FURTHER RESOLVED that the task force is requested to
23 consult with national organizations such as the Corporation for
24 Enterprise Development, which is currently engaged in a multi-
25 year national initiative, Saving for Education,
26 Entrepreneurship, and Downpayment Policy and Practice
27 Initiative, for the purpose of developing, testing, and
28 implementing matched savings accounts and financial education
29 for children and youth; and

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31 BE IT FURTHER RESOLVED that the task force is requested to
32 submit a report, including any proposed legislation, no later
33 than twenty days prior to the convening of the Regular Session
34 of 2008; and

35
36 BE IT FURTHER RESOLVED that certified copies of this
37 Concurrent Resolution be transmitted to the President of the
38 Senate, the Speaker of the House of Representatives, the Chair
39 of the Senate Committee on Human Services and Public Housing,
40 the Chair of the House Committee on Human Services and Housing,
41 the Director of Commerce and Consumer Affairs, the Director of



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1 Business, Economic Development, and Tourism, the Director of
 2 Human Services, the Director of Taxation, and the President of
 3 the University of Hawaii.
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