
A BILL FOR AN ACT

RELATING TO FINANCIAL EDUCATION.

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

1 SECTION 1. The legislature finds that for many Hawaii
2 residents, the cost of purchasing a home, pursuing post-
3 secondary education, and starting a business are becoming
4 prohibitively expensive. Traditional public assistance programs
5 where household income thresholds determine eligibility are not
6 necessarily successful in supporting lower-income families who
7 are making the transition to increased economic
8 self-sufficiency. Many of these traditional programs focus on
9 helping participants obtain and maintain jobs but penalize
10 participants for accumulating what few assets they are able to
11 afford. When income-based policies are coupled with asset-based
12 policies, they provide a comprehensive means for lower-income
13 families to achieve greater financial independence and
14 well-being.

15 The purpose of this Act is to:

16 (1) Establish the public financial education and asset-
17 building task force to develop policy recommendations



1 related to helping Hawaii's families achieve their
2 financial goals; and

3 (2) Make an appropriation, to be matched by the private
4 sector, for the operations of the task force.

5 SECTION 2. (a) The chairs of the senate committee on
6 human services and public housing and the house committee on
7 human services and housing shall convene a statewide task force
8 on public financial education and asset-building. The purpose
9 of the task force shall be to develop policy recommendations
10 regarding:

11 (1) Universal, matched savings accounts for newborns;
12 (2) Statewide standards for financial and economic
13 education for public- and private-sector employees;
14 and

15 (3) The elimination of asset limits as a bar to
16 eligibility for public benefit programs.

17 (b) For the purpose of establishing universal, matched
18 savings accounts for newborns, the task force shall consider the
19 following factors:

20 (1) The savings vehicle, including the rate of return,
21 safety of the investment, account insurance, ease of



- 1 managing the account, and the ease of making various
2 forms of deposits;
- 3 (2) State contributions, including the state contribution
4 to the initial deposit, the amount, time frame, and
5 eligibility requirements to receive state matching
6 funds; mechanisms to distribute state contributions;
7 and estimated costs and benefits;
- 8 (3) Ownership of the account, including the impact on
9 eligibility for student financial aid, public
10 assistance and other public benefits, and taxation of
11 account earnings and distributions;
- 12 (4) Financial education, including the provision of
13 financial education to children and families, and
14 access to additional financial services;
- 15 (5) Restrictions, including withdrawal or distribution
16 from the account prior to the child's reaching age
17 eighteen, the portability of the account, and limits
18 on permissible uses of the account;
- 19 (6) Revenue sources, including sources for the initial
20 deposit and any savings match, and the feasibility of
21 a state match for deposits for children in low-income
22 families;



1 (7) Mechanisms for data collection and tracking; and

2 (8) All other factors that the task force deems important
3 to program design.

4 (c) For the purposes of creating financial education
5 standards for public- and private-sector employees, the task
6 force shall consider:

7 (1) Curriculum content and delivery mechanisms;

8 (2) Financial education standards coordination and
9 training;

10 (3) Strategies for public-private partnerships to offer
11 financial and economic education to employees; and

12 (4) All other factors that the task force deems important
13 in program design.

14 (d) In addition to the convenors specified in subsection
15 (a), the task force membership shall consist of the directors of
16 the following departments or agencies, or the directors'
17 designees:

18 (1) The department of budget and finance;

19 (2) The department of commerce and consumer affairs;

20 (3) The department of business, economic development, and
21 tourism;

22 (4) The department of human services;



- 1 (5) The department of taxation;
- 2 (6) The department of labor and industrial relations;
- 3 (7) The department of human resources development;
- 4 (8) The department of education;
- 5 (9) The office of Hawaiian affairs; and
- 6 (10) The department of Hawaiian home lands.
- 7 (e) In addition to the members described in subsections
- 8 (a) and (d), additional task force membership shall consist of
- 9 one designee from each of the following offices:
- 10 (1) The speaker of the house of representatives;
- 11 (2) The president of the senate; and
- 12 (3) The president of the University of Hawaii.
- 13 (f) In addition to the members described in subsections
- 14 (a), (d), and (e), the task force shall also include one
- 15 representative selected by the convenors identified in
- 16 subsection (a) from each of the following categories:
- 17 (1) Asset-building in Hawaii;
- 18 (2) The individual development account program under
- 19 chapter 257, Hawaii Revised Statutes;
- 20 (3) Grassroots organizing;
- 21 (4) Poverty law;
- 22 (5) The business industry;



- 1 (6) Child advocacy;
- 2 (7) Rural community advocacy;
- 3 (8) Organized labor;
- 4 (9) The banking industry;
- 5 (10) Credit unions;
- 6 (11) Investment service providers; and
- 7 (12) Financial education organizations.

8 (g) The task force may consult with national organizations
9 with relevant experience, as appropriate.

10 (h) The task force shall submit a report containing its
11 findings and recommendations, including proposed legislation, to
12 the legislature no later than twenty days prior to the convening
13 of the regular session of 2010.

14 SECTION 3. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so
16 much thereof as may be necessary for fiscal year 2008-2009 for
17 the operations of the task force; provided that any state
18 revenues expended pursuant to this Act shall be matched on a
19 dollar-for-dollar basis by private-sector funding.

20 The sum appropriated shall be expended by the house of
21 representatives for the purposes of this Act.



1 SECTION 4. This Act shall take effect upon its approval;
2 except that section 3 shall take effect on July 1, 2008.



S.B. NO. 2839
S.D. 2
H.D. 1

Report Title:

Public Financial Education and Asset-Building Task Force;
Appropriation

Description:

Establishes the Public Financial Education and Asset-Building
Task Force. Appropriates funds. (SB2839 HD1)

SB2839 HD1 HMS 2008-2969

