

JAN 22 2008

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
7 making the transition to increased economic self-sufficiency.
8 Many of these traditional programs focus on obtaining and
9 maintaining jobs, but penalize participants for accumulating
10 what few assets they are able to afford. When income-based
11 policies are coupled with asset-based policies, they provide a
12 comprehensive means for lower income families to achieve greater
13 financial independence and well-being.

14 The purpose of this Act is to establish the public
15 financial education and asset building task force to develop
16 policy recommendations related to achieving financial goals for



1 Hawaii families. The Act also makes an appropriation for task
2 force operation.

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

- 9 (1) Universal, matched savings accounts for newborns;
- 10 (2) Statewide standards for financial and economic
11 education for public and private sector employees; and
- 12 (3) The elimination of asset limits as a bar to
13 eligibility for public benefit programs.

14 (b) For the purpose of establishing universal, matched
15 savings accounts for newborns, the task force shall consider the
16 following factors:

- 17 (1) The savings vehicle, including the rate of return,
18 safety of the investment, account insurance, ease of
19 managing the account, and the ease of making various
20 forms of deposits;
- 21 (2) State contributions, including the state contribution
22 to the initial deposit, the amount, time frame and



- 1 eligibility requirements to receive state matching
2 funds, mechanisms to distribute state contributions,
3 and estimated costs and benefits;
- 4 (3) Ownership of the account, including the impact on
5 eligibility for student financial aid, public
6 assistance and other public benefits, and taxation of
7 account earnings and distributions;
- 8 (4) Financial education, including the provision of
9 financial education to child and family, and access to
10 additional financial services;
- 11 (5) Restrictions, including withdrawal or distribution
12 from the account prior to the child's reaching age
13 eighteen, the portability of the account, and limits
14 on permissible uses of the account;
- 15 (6) Revenue sources, including sources for the initial
16 deposit and any savings match, the feasibility of a
17 state match for deposits for children in low-income
18 families;
- 19 (7) Mechanisms for data collection and tracking; and
- 20 (8) All other factors that the task force deems important
21 to program design.



1 (c) For the purposes of creating financial and education
2 standards for public and private sector employees, the task
3 force shall consider:

- 4 (1) Curriculum content and delivery mechanisms;
- 5 (2) Appropriate agency designation for financial education
6 standards coordination and training;
- 7 (3) Strategies for public/private partnerships to offer
8 financial and economic education to employees; and
- 9 (4) All other factors that the task force deems important
10 in program design.

11 (d) In addition to the convenor specified in subsection
12 (a), task force membership shall consist of directors of the
13 following departments, or the directors' designees:

- 14 (1) The department of budget and finance;
- 15 (2) The department of commerce and consumer affairs;
- 16 (3) The department of business, economic development, and
17 tourism;
- 18 (4) The department of human services;
- 19 (5) The department of taxation;
- 20 (6) The department of labor and industrial relations;
- 21 (7) The department of human resources development; and
- 22 (8) The department of education.



1 (e) In addition to the members described in subsections
2 (a) and (d), additional task force membership shall consist of
3 one designee from each of the following offices:

4 (1) The speaker of the house of representatives;

5 (2) The president of the senate; and

6 (3) The president of the University of Hawaii.

7 (f) In addition to the members described in subsections

8 (a), (d), and (e), the task force shall also include one

9 representative selected by the convenor identified in subsection

10 (a) from each of the following categories:

11 (1) Asset-building in Hawaii;

12 (2) The individual development account program under
13 chapter 257, Hawaii Revised Statutes;

14 (3) Grassroots organizing;

15 (4) Poverty law;

16 (5) The business industry;

17 (6) Child advocacy;

18 (7) Rural community advocacy;

19 (8) Organized labor;

20 (9) The banking industry;

21 (10) Credit unions; and

22 (11) Investment service providers.



1 (g) The task force may consult with national organizations
2 with relevant experience where appropriate.

3 (h) The task force shall submit a report containing its
4 findings and recommendations to the legislature no later than
5 twenty days prior to the convening of the regular session of
6 2010.

7 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so
9 much thereof as may be necessary for fiscal year 2008-2009 for
10 the operations of the task force, including the hiring of a
11 public financial education coordinator who shall be responsible
12 for implementing task force standards.

13 The sum appropriated shall be expended by the senate for
14 the purposes of this Act.

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

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Report Title:

Public Financial Education and Asset Building Task Force;
Appropriation

Description:

Establishes a public financial education and asset building task
force; makes an appropriation.

