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# 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, to be  
2 matched by the private sector, for task 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; provided that any state  
13 revenues expended pursuant to this Act shall be matched on a  
14 dollar for dollar basis by private sector funding.

15 The sum appropriated shall be expended by the senate and  
16 the house of representatives for the purposes of this Act.

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



**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. (SD1)

