

Honolulu, Hawaii

FEB 15 2007

RE: S.B. No. 1937
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred S.B. No. 1937 entitled:

"A BILL FOR AN ACT RELATING TO SOCIAL SERVICES,"

begs leave to report as follows:

The purpose of this measure is to require the Department of Human Services to develop and implement a micro-credit pilot program and appropriate funds for that purpose.

The Department of Human Services, the Hawai'i Alliance for Community-Based Economic Development, and 3Point submitted testimony in support of this measure.

Your Committee finds that the State should help its residents build assets as assets are a critical component of financial security and integral to overcoming poverty. Micro-credit is the extension of small loans to the unemployed, to poor entrepreneurs, and others who are "pre-bankable" or not otherwise qualified for traditional loans. This financial innovation originated in developing countries where it successfully engaged extremely impoverished people in self-employment projects that enabled them to generate an income. According to the testimony, there are approximately six hundred domestic loan funds across the United States that practice micro-credit as described in this measure.

Your Committee notes that the Department of Human Services testified that it estimates that an appropriation of \$300,000 is needed to contract out the development and implementation of a



micro-credit pilot program, and it requested that the Legislature increase its current Temporary Assistance for Needy Families cap on work support programs for this purpose in lieu of a State general fund appropriation.

It is the Committee's intent to support the Department of Human Services' request to increase the current Temporary Assistance for Needy Families cap on work support programs in lieu of a State general fund appropriation. Your Committee has amended this measure by:

- (1) Appropriating or authorizing money from Temporary Assistance for Needy Families funds to the Department of Human Services to develop and implement the micro-credit pilot program; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1937, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Human Services and
Public Housing,


SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

Bill / Resolution No.:* SB 1937	Committee Referral: HSP, WAM	Date: 2-8-07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
SAKAMOTO, Norman	✓			
HEMMINGS, Fred	✓			
TOTAL	4	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Fred Hemmings</i>				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes