

STAND. COM. REP. NO.

2270

Honolulu, Hawaii

FEB 13 2008

RE: S.B. No. 2837
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which was referred S.B. No. 2837 entitled:

"A BILL FOR AN ACT RELATING TO INDIVIDUAL DEVELOPMENT ACCOUNTS,"

begs leave to report as follows:

The purpose of this measure is to make clarifying amendments to the individual development accounts law to support asset building among low- and moderate-income families, and to appropriate funds for fiduciary organizations to operate individual development account programs.

Your Committee received testimony in support of this measure from the Department of Human Services, Legal Aid Society of Hawai'i, Hawai'i Alliance for Community-Based Economic Development, Hawaii First Federal Credit Union, Hawaii Women Work, and Aloha United Way.

Your Committee finds that economic stability does not arise solely from income; financial assets including cash savings, stocks, bonds, and home and business equity are all critical components of economic security. The accumulation of financial assets can offer individuals hope for the future, stimulate growth in all societal sectors, and enhance the welfare of families and children. For example, a home is often a primary asset for a family in Hawaii, and forms a large component of household net worth for most Americans. Saving for a down payment on a home is a formidable prospect for too many low- and moderate-income

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earners in Hawaii. While developing affordable housing properties is necessary, it is equally important to invest in additional strategies that can also expand a family's ability to purchase a home.

Individual development accounts are special savings accounts that match the deposits of low- and moderate-income accountholders to save towards certain qualified financial goals. These accounts have provided proven assistance to families who are saving to purchase a home, pay higher education expenses, and fulfill other asset-building goals.

This measure is intended to improve the management and operation of individual development accounts to support increased asset-building among low- and moderate-income families. For this purpose, your Committee recommends to the Committee on Ways and Means that an appropriation be made in the amount of \$400,000.

Your Committee has amended this measure on the concurrent recommendation of the Legal Aid Society of Hawaii and the Hawai'i Alliance for Community-Based Economic Development by:

- (1) Amending the definition of "qualified expenditures" to include one motor vehicle purchase for school or work transportation;
- (2) Specify that the Department of Human Services shall determine the eligible amount of household median income;
- (3) Require the State to match in a specific match ratio as determined by the Department of Human Services; and
- (4) Require fiduciary organizations to submit their annual reports to the Department of Human Services rather than the Legislature, containing matters as determined by the Department.

Your Committee has also made technical, nonsubstantive amendments.

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. 2837, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B.



No. 2837, 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

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.:*	Committee Referral:	Date:
SB 2837	HSP, WAM	2/5/08

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHUN OAKLAND, Suzanne (C)	✓			
IHARA, Jr., Les (VC)	✓			
HOOSER, Gary L.	✓			
SAKAMOTO, Norman	✓			
HEMMINGS, Fred				✓
TOTAL	4	0	0	1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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*Only one measure per Record of Votes