

Date of Hearing: April 17, 2008

Committee: House Legislative Management

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent

Title: SCR 92, SD1 (SSCR3540), Establishing a public financial education and asset-building task force.

Purpose: To establish a public financial education and asset-building task force.

Department's Position: The Department of Education supports SCR 92, SD1 (SSCR3540), which would establish a public financial education and asset-building task force.

One of the purposes of the task force is to develop a statewide standard for financial and economic education for public and private sector employees. Such standards and improving public and private sector employee access to additional financial services could greatly enhance the quality of life of many families in this State.

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON LEGISLATIVE MANAGEMENT
ON
SENATE CONCURRENT RESOLUTION NO. 92, S.D. 1

April 17, 2008

ESTABLISHING A PUBLIC FINANCIAL EDUCATION AND ASSET-BUILDING
TASK FORCE

Senate Concurrent Resolution No. 92, S.D. 1, establishes a public financial education and asset building task force to develop policy recommendations related to achieving financial goals for Hawaii families through universal, matched savings accounts for newborns; statewide standards for financial and economic education for public and private sector employees; and the elimination of asset limits as a bar to eligibility for public benefit programs.

We appreciate the intent of the proposed resolution; however, the goals are lofty and appear to be potentially very costly to implement. In addition, it takes the State's role in family finances to a much higher level by committing the State to providing matching amounts to the savings accounts of newborns.

Given the State's current financial situation, it does not appear prudent to embark on such an ambitious undertaking by creating a statewide task force on public financial education and asset building if adequate resources are not available to fund any of the initiatives which may be forthcoming.

TESTIMONY IN SUPPORT OF SCR92 SD1
PUBLIC FINANCIAL EDUCATION AND ASSET-BUILDING TASK FORCE

April 17, 2008 at 3:00 p.m.

The Legal Aid Society of Hawaii hereby provides testimony to the House Committee on Legislative Management on SCR92 SD1 - Relating to Financial Education, in support of the resolution.

Founded in 1950, the Legal Aid Society of Hawaii is the oldest provider of legal services in the state. We provided civil legal assistance to those in need through nine offices located in Lihue, Waianae, Honolulu, Kaneohe, Kaunakakai, Lanai City, Wailuku, Kona and Hilo. Over the years we have seen the benefit of linking community based economic development and asset building to legal services as critical to assisting our clients out of poverty.

This resolution would create a task force on financial education and asset building to be convened by the Chairs of the Senate Human Services and Public Housing and House Human Service and Housing. We believe that the creation of such a task force would be an effective way to bring relevant parties together to create effective asset building programs.

For these reasons, we support SCR92 SD1. Thank you for this opportunity to testify.

Sincerely,

M. Nalani Fujimori
Deputy Director
527-8014

Board Members

President

Jason Okuhama (at large)
Hawai`i Lending Specialists

Vice President

Akoni Akana (Maui)
Friends of Moku`ula

Treasurer

Kipukai Kualii (Kaua`i)
Na Mahi`ai O Anahola –
Anahola Kaua`i Agribusiness
Microenterprise Project

Stacy Crivello (Moloka`i)
Ke Aupuni Lokahi

Puni Kekauoha &
Adrienne Dillard (O`ahu)
Papakolea CDC

Keikialoha Kekipi &
Susie Osborne (Hawai`i)
Ho`oulu Lahui/ Kua O Ka La
Public Charter School

Kukui & Gary Maunakea-Forth
(O`ahu)
WCRC/Mala Ai`Opio

Wayne Tanna (at large)
Asset Building Coalition &
Chaminade University

Rian Dubach (at large)
American Savings Bank

Tommy Otake (at large)

HACBED Staff

Robert Agres, Jr
Executive Director

Larissa Meinecke
Public Policy Associate

John Higgins
Capacity Building Associate

Tony Hall
Administrative Manager

April 15, 2008

House Committee on Legislative Management

Thursday, April 17, 2008 at 3:00 p.m.

SCR 92 SD1 - Financial Education - SUPPORT

Dear Chair Magaoay and Committee Members:

The Hawai`i Alliance for Community Based Economic Development (HACBED) is submitting testimony in support of **SCR 92 SD1** which establishes a task force on public financial education and asset building.

Hawai`i needs comprehensive public policy to help people build assets. This should include a combination of programs, tax incentives, regulatory changes, and other mechanisms to help people earn more, save more, protect hard earned assets, start businesses and become homeowners. We support **SCR 92 SD1** in that it is part of a package that we believe does just that. The Ho`owaiwai Asset Policy agenda includes several measures that help to reach this goal. Financial education is a crucial component of this package.

Assets are essential for three reasons:

1. To have **financial security** against difficult times
2. To create **economic opportunities** for oneself
3. To **leave a legacy** for future generations to have a better life

Financial education is crucial for families building and sustaining their assets. The information gathered can provide the skills necessary for families to plan for their future and protect the assets they build. The purpose of SCR 92 SD1 is to establish a comprehensive approach in the development and implementation of this education. Coordination at all levels of government, the private sector and formal education institutions ensures maximum participation of all those involved and encourages public-private partnerships to carry out the goals established in the Task Force.

Chair Magaoay and Committee Members
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SCR 92 SD1 urges the financial education task force to develop policy recommendations on: children's savings accounts; statewide standards for financial and economic education for public- and private-sector employees; and the elimination of asset limits as a bar to eligibility for public benefit programs.

There are three major components necessary for delivering financial education. They are; *1) K-12 Education, 2) Public Outreach, 3) Employer participation*. By establishing this task force, the State is leading the country and can be first to ensure that families understand the importance of building and sustaining assets.

The task force will bring stakeholders to the table to find ways to deliver financial education in the State. The task force is vital to uncovering the best ways for stakeholders in the field to work together to ensure that those on public assistance have the greatest access and opportunity to build assets, eliminate barriers to accessing assistance and streamline government coordination with the private sector. As you know, many of our public assistance programs include asset limit barriers that make it impossible for families that are trying to save able to qualify for programs that can help them. The task force will be able to work together to better understand these obstacles and provide solutions for eliminating these asset limit barriers.

Finally, SCR 92 SD1 advises the task force to make recommendations on the creation of universal matched savings accounts. These accounts provide Hawai'i's keiki with a chance to acquire assets and build their future. While we can all agree that providing our keiki an opportunity to start saving young is important, this task force will be in the best position to ensure that such a program is designed to benefit Hawai'i's keiki.

Thank you for the opportunity to provide testimony.

Sincerely,

Larissa Meinecke
Public Policy Associate



For: Thurs, April 17
3:00 pm
House LMG

National Association of Social Workers

Hawaii Chapter

April 16, 2008

TO: Rep. Michael Magaoay, Chair
And members of the House Legislative Management Committee

FROM: Debbie Shimizu, LSW
National Association of Social Workers, Hawaii

RE: SCR 92 SD1 Establishing a Public Financial Education and Asset-Building Task Force -
SUPPORT

Chair Magaoay and members of the House Legislative Management Committee, I am Debbie Shimizu, Executive Director of the National Association of Social Workers, Hawaii (NASW). I am testifying in **SUPPORT** of SCR 92 SD1 Establishing a Public Financial Education and Asset-Building Task Force.

Thank you for hearing this resolution.

As a member of the Department of Human Services Financial Assistance Advisory Council, we see the difficulties that policies often pose to those on public assistance. While these policies are meant to be helpful, some policies work against each other and actually pose challenges to families who are trying to become self sufficient. We need income-based policies to work in cooperation with asset-based policies to assist low-income families achieve financial independence.

Convening a task force to look at these policies and make recommendations will be beneficial in having a comprehensive, seamless, efficient system. We are encouraged at the list of agencies and departments requested to participate in the task force and are hopeful for a productive report.

Thank you for the opportunity to testify in **SUPPORT** of SCR 92 SD1.

Carol L. Kanoho

From: Kristine Castagnaro [kristine@hcee.org]
Sent: Wednesday, April 16, 2008 11:17 AM
To: LMGtestimony
Subject: SCR 92 SD1 Testimony

TO:
Rep. Michael Y. Magaoay, Chair
Rep. James Kunane Tokioka, Vice Chair
Committee on Legislative Management

RE:
SCR 92 SD1 Testimony
Hearing, Thursday, April 17, 2008 at 3:00 p.m.

Dear Representatives Magaoay and Tokioka,

As the Executive Director of the Hawai`i Council on Economic Education, I have committed my professional career to ensuring that Hawaii's keiki have the skills they need to make smart, informed choices in their lives.

Therefore, I support SCR 92 SD1 urging the State Legislature to establish the public financial education and asset-building task force. This task force would enable the state to bring all the stakeholders together to find new ways to deliver economic and financial education in effective and impactful ways.

Economic and financial education is crucial for families in Hawaii. It arms our residents with the essential skills needed in today's world where personal bankruptcies, predatory tactics, and fraudulent practices abound.

Sincerely,

Kristine Castagnaro