

STAND. COM. REP. NO. 322

Honolulu, Hawaii
Feb 18, 2009

RE: H.B. No. 734

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred H.B. No. 734 entitled:

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

begs leave to report as follows:

The purpose of this bill is to support asset-building among low- and moderate-income families in Hawaii through the use of individual development accounts.

Specifically, this bill designates the Department of Human Services as the agency responsible for administering the individual development account program. This bill also:

- (1) Adds the purchase of one motor vehicle for work or school transportation to the list of qualified expenditures;
- (2) Requires the Department of Human Services to determine the minimum household income for an individual development account holder, rather than setting the threshold at eighty per cent of the area household median income;
- (3) Allows the Department of Human Services to contract with fiduciary organizations;



- (4) Identifies and makes use of federal funds wherever appropriate;
- (5) Deletes the cap on the State's match of funds for an individual development account and instead requires a specific match ratio for qualified expenditures to be determined by the Department of Human Services;
- (6) Repeals:
 - (A) The requirement that the State make a grant to a qualified entity for each individual development account program; and
 - (B) The ten per cent cap on use of state appropriated funds to cover annual administrative costs of selected fiduciary organizations;
- (7) Requires fiduciary organizations to report annually to the Department of Human Services rather than to the Legislature; and
- (8) Appropriates unspecified amounts in fiscal years 2009-2010 and 2010-2011 for fiduciary organizations for the operation of the individual development account program.

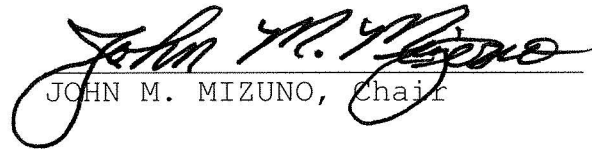
Your Committee received testimony in support of this bill from the Hawaii Alliance for Community-Based Economic Development. The Department of Human Services expressed various concerns regarding the bill.

Your Committee finds that the appropriations and modifications to the individual development accounts program will help low- and moderate-income households in Hawaii to save and build assets in order to meet their financial goals.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 734 and recommends that it pass Second Reading and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Human Services,


JOHN M. MIZUNO, Chair



