

SB 1108

NEIL ABERCROMBIE
GOVERNOR



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LATE

February 25, 2011

MEMORANDUM

TO: The Honorable David Y. Ige, Chair
Committee on Ways and Means

FROM: Patricia McManaman, Interim Director

SUBJECT: **S.B. 1108, S.D. 1 - RELATING TO INDIVIDUAL DEVELOPMENT
ACCOUNTS**

Hearing: Friday, February 25, 2011; 9:00 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of S.B. 1108, S.D. 1, is to clarify guidelines for individual development accounts (IDAs); and allows for the Department of Human Services or a contracted agency to provide technical and administrative assistance to fiduciary organizations. Appropriates general funds.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of this bill as it includes initiatives supportive of our goals and objectives. DHS, however, cannot support this bill if it continues to require that DHS administer the IDA program.

This bill proposes to amend chapter 257, by defining "Department", in Section 2, as the Department of Human Services. It should be noted that the Department of Human Services is not the only department or agency that may issue IDAs. In other States, IDAs are issued by various departments, depending on the funding source.

We respectfully request that chapter 257 not be amended to make DHS the administrator for IDA programs. DHS should not be responsible for approving IDA programs or setting the standards that other agencies may want to implement.

The Department has no expertise regarding the fiduciary responsibilities required for this program. These responsibilities include setting the fiscal eligibility criteria which may have tax implications, approving IDA project applications, authorizing the expenditure of State funds for the IDAs, and monitoring and auditing the records of the numerous fiduciary organizations. If this bill advances, we request that these functions be given to a Department that has the fiduciary expertise to oversee such projects.

We are also concerned about the budget implications generated by this proposal. DHS cannot estimate the cost of this proposal since we cannot determine how many individuals would apply for IDAs.

Thank you for the opportunity to provide comments on this bill.

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 25, 2011 12:06 PM
To: WAM Testimony
Cc: swartzg001@hawaii.rr.com
Subject: Testimony for SB1108 on 2/25/2011 9:00:00 AM

LATE

Testimony for WAM 2/25/2011 9:00:00 AM SB1108

Conference room: 211
Testifier position: oppose
Testifier will be present: No
Submitted by: gregory swartz
Organization: Individual
Address:
Phone:
E-mail: swartzg001@hawaii.rr.com
Submitted on: 2/25/2011

Comments:
Now, the State is going to be giving away cars. Give me a break!