

STAND. COM. REP. NO. 2010

Honolulu, Hawaii

JAN 30 2014

RE: S.B. No. 2545
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred S.B. No. 2545 entitled:

"A BILL FOR AN ACT RELATING TO UNIVERSAL CHILDREN'S SAVINGS ACCOUNTS,"

begs leave to report as follows:

The purpose and intent of this measure is to enable families to establish a savings account for their children who were born in Hawaii or reside in Hawaii.

Your Committee received testimony in support of this measure from Blueprint for Change, Hawaii JumpStart Coalition for Personal Financial Literacy, and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance and one individual.

Your Committee finds that it is important to help families start saving at birth for their children's futures. Thirty-four percent of Hawaii's middle class families are asset poor. Children's savings accounts are a recognized tool for assisting families with building meaningful savings for their children while learning about money and finance. Your Committee recognizes that HI529, Hawaii's college savings program administered by the Department of Budget and Finance, already exists to assist families with saving for higher education and that it would not be beneficial for children's savings accounts to compete with the existing program.



Accordingly, your Committee has amended this measure by:

- (1) Amending the authorized uses for monies in the savings accounts to no longer include paying for higher education; and
- (2) Making amendments to section 1 to reflect the amended purpose of the measure.

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 S.B. No. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, 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,



SUZANNE CHUN OAKLAND, Chair



