

STAND. COM. REP. NO.

2192

Honolulu, Hawaii

FEB 11 2014

RE: S.B. No. 2545  
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2545, S.D. 1, 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 establish a universal children's savings account program administered by the Department of Budget and Finance to enable families to establish savings accounts for their children.

This measure also establishes and appropriates funds for the universal children's savings account trust fund.

Your Committee received written comments in support of the measure from Hawaiian Community Assets, Inc., and the Hawaii Credit Union League. The Department of Budget and Finance and the Department of the Attorney General submitted written comments.

Your Committee finds that this measure makes an appropriation for the universal children's savings account trust fund from funds received by the State pursuant to the joint state-federal mortgage servicing settlement. This measure also requires the State to provide a dollar-for-dollar match for settlement funds deposited into the trust fund. However, the Attorney General has indicated that permissible uses of the settlement funds are restricted by federal court consent judgments to services for those who are, have been, or may be affected by mortgage loan proceedings,

SB2545 SD2 SSCR LRB 14-1004.doc



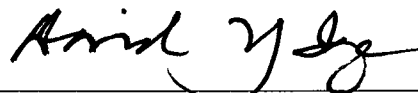
including housing and financial counseling, public education, mediation, dispute resolution, and enforcement of laws and agreements protecting the rights of homeowners and lessees. Hence, according to the Attorney General, the settlement funds cannot be used for the purposes of this measure as received by your Committee without violating the federal court consent judgments.

Accordingly, your Committee has amended this measure by:

- (1) Deleting all references in this measure to the funds received by the State pursuant to the joint state-federal mortgage servicing settlement, and changing the appropriation for the universal children's savings account trust fund to general funds; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2545, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2545, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2545, SD1	HMS, WAM	2-5-14

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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam	✓			
Total	12	0	0	1

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature: *Michelle N. Kidani*

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**\*Only one measure per Record of Votes**