

Honolulu, Hawaii

MAR 23 2023

RE: H.B. No. 1263
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 1263, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII ABLE SAVINGS PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the Director of Finance to use funds deposited into the Hawaii ABLE Savings Program Trust Fund for any expenses incurred in developing and administering the Hawaii ABLE Savings Program;
- (2) Establish a position within the State Council on Developmental Disabilities of the Department of Health to provide statewide outreach, advocacy, and relationship management for the Hawaii ABLE savings program; and
- (3) Appropriate funds to be deposited into the Hawaii ABLE Savings Program Trust Fund.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Executive Office on Aging, Disability and Communication Access Board, Hawaii



Disability Rights Center, and one individual. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds the Hawaii ABLE Savings Program is a program that provides individuals with disabilities with the same types of flexible savings accounts that people without disabilities have, such as college savings accounts, health savings accounts, and individual retirement accounts, where interest earned on savings are tax-exempt. ABLE accounts also enable individuals with a disability to accrue funds to pay for a variety of expenses, such as medical and dental care, education, community-based supports, employment training, assistive technology, housing, and transportation. There are approximately forty-three thousand individuals with disabilities in the State who are eligible for the ABLE Savings Program; however, many of them are reluctant to enroll due to misinformation about the program or hesitation to provide their personal information online, which is currently the only means by which one can apply for an ABLE account. This measure will enable the Hawaii ABLE Savings Program to engage in necessary outreach to educate and encourage these individuals to enroll in the program to save money for their futures.

Your Committee notes that S.B. No. 672, S.D. 1 (2023), a substantially similar measure that was previously passed by the Senate, is preferable because it also clarifies the sources of the moneys deposited into the trust fund, allows the moneys in the trust fund to be expended to provide incentive payments to program enrollees, and appropriates moneys out of the trust fund to be expended by appropriate agencies for the program and the newly established outreach position.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 672, S.D. 1 (2023), a measure that:
 - (A) Repeals language that gives the Director of Finance discretion to use moneys in the Hawaii ABLE Savings Program Trust Fund if the Director elects to accept deposits from contributors instead of sending deposits directly to the ABLE Program Manager;



- (B) Authorizes the Director of Finance to expend moneys in the Hawaii ABLE Savings Program Trust Fund to provide incentive payments to Hawaii public school ABLE account owners; and
 - (C) Establishes one full-time equivalent permanent position to provide statewide outreach advocacy, and relationship management; and
- (2) Inserting an effective date of June 30, 2050, to encourage further discussion; and
 - (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1263, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1263, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

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



JOY A. SAN BUENAVENTURA, Chair



