

Honolulu, Hawaii

FEB 09 2007

RE: S.B. No. 1919
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Human Services and Public Housing, to which
was referred S.B. No. 1919 entitled:

"A BILL FOR AN ACT RELATING TO ASSET BUILDING,"

begs leave to report as follows:

The purpose of this measure is to provide a comprehensive set
of asset building opportunities for Hawaii's low- and moderate-
income families by:

- (1) Establishing a self-sufficiency standard that will
determine the assistance of allowance;
- (2) Establishing a refundable state earned income tax
credit;
- (3) Providing financial education to Temporary Assistance
for Needy Families applicants and recipients;
- (4) Expanding the provision of individual development
accounts; and
- (5) Appropriating funds for these purposes.

Hawaii Women Work, the National Association of Social
Workers, the Hawaii Alliance for Community-Based Economic
Development, 3Point, Asset Building Initiative of Hawaii, Aloha
United Way, and one individual submitted testimony in support of



this measure. The Department of Taxation submitted testimony in opposition. The Department of Human Services submitted comments.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, if passed, would result in a revenue loss to the State of approximately \$24,000,000. No methodology for the calculation was provided.

Your Committee finds that economic stability does not arise solely from income. Financial assets, such as cash savings, stocks, bonds, and home and business equity, are a critical component of economic security. Financial assets offer individuals a viable and hopeful future, stimulate development of human and other capital, and enhance the welfare of children. Income-based policies should be complemented with asset-based policies because, while income-based policies ensure that consumption needs, such as food, clothing, child care, and health care, are met, asset-based policies provide the means to achieve greater independence and economic well-being.

It is your Committee's intent to help provide asset building opportunities for Hawaii's low- and moderate-income families.

Your Committee has amended this measure by:

- (1) Adding language to the amendment to section 201-3(a)(6), Hawaii Revised Statutes, in part II of the measure, that states that the self-sufficiency standard shall be based on existing established models that fully incorporate the items essential to attain economic self-sufficiency;
- (2) Requiring the Department of Business, Economic Development, and Tourism to:
 - (A) Establish the first annual self-sufficiency standard pursuant to section 2 by December 1, 2007; and
 - (B) Report to the Legislature and the Department of Human Services on the self-sufficiency standard no later than twenty days prior to the convening of the Regular Session of 2008, and thereafter at annual intervals;
- (3) Requiring the Department of Human Services to:



- (A) Submit a budget request to the Legislature identifying the amount of general and federal funds required to implement the self-sufficiency standard no later than twenty days prior to the convening of the Regular Session of 2009; and
 - (B) Report to the Legislature with information on the number of persons exiting public assistance, food stamp, and medical assistance programs for work, utilizing the annually adjusted self-sufficiency standard, no later than twenty days prior to the convening of the Regular Session of 2010, and thereafter at annual intervals;
- (4) Making section 5 effective on July 1, 2009; and
 - (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

Also, your Committee urges the Committee on Ways and Means to consider increasing the current Temporary Assistance For Needy Families cap on work support programs by \$500,000 to enable the Department of Human Services to access the funds to provide financial education to applicants for and recipients of Temporary Assistance For Needy Families in lieu of an appropriation.

As affirmed by the record of votes of the members of your Committee on Human Services and Public Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1919, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

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


SUZANNE CHUN OAKLAND, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Human Services and Public Housing
HSP

| Bill / Resolution No.:* SB 1919 | Committee Referral: HSP, EDT, WAM | Date: 2-6-07 | | |
|--|---|------------------------|----------|----------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| CHUN OAKLAND, Suzanne (C) | ✓ | | | |
| IHARA, Jr., Les (VC) | ✓ | | | |
| SAKAMOTO, Norman | | | | ✓ |
| HEMMINGS, Fred | ✓ | | | |
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| TOTAL | 3 | 0 | 0 | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <i>[Signature]</i> | | | | |
| Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency | | | | |

*Only one measure per Record of Votes