

Honolulu, Hawaii

March 23, 2011

RE: S.B. No. 1108
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 1108, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INDIVIDUAL DEVELOPMENT ACCOUNTS,"

begs leave to report as follows:

The purpose of this bill is to assist low- and moderate-income earning families with asset-building by, among other things:

- (1) Including one motor vehicle purchase for school or work transportation as a qualified expenditure for individual development accounts;
- (2) Changing the income requirement of the household of the individual development account holder from not exceeding 80 percent of the area household median income to not exceeding an amount determined by the Department of Human Services (DHS);
- (3) Requiring DHS to:
 - (A) Contract with fiduciary organizations that serve as an intermediary between individual development account holders and financial institutions holding accounts; and



- (B) Identify and make use of available federal moneys wherever appropriate;
- (4) Allowing an applicant to apply for funding an individual development account project during future fiscal years if there are insufficient resources to fund an individual development account project instead of for five project years if the State lacks the resources;
- (5) No longer requiring:
 - (A) The State to make a grant to the qualified entity or collaboration of entities authorized to conduct the project on the first day of the project year in an amount not to exceed \$100,000 per year for five years, for each individual development account program;
 - (B) The State to match an amount of up to \$100,000 per calendar year for individual development accounts; and
 - (C) That not more than 2:1 match of state funds to account holder deposits to be deposited into any individual development account in a given year;
- (6) Requiring the State to match a specific match ratio for qualified expenditures of an individual development account as determined by DHS;
- (7) Including motor vehicles as items required to be annually reported by each individual development account program;
- (8) Requiring the fiduciary organization to submit an annual report to DHS with contents to be determined by DHS, instead of submitting its findings and recommendations to the Legislature no later than 20 days prior to the convening of each regular session;
- (9) No longer allowing selected fiduciary organizations to use no more than ten percent of state funds as appropriated to cover administrative costs in any given year; and



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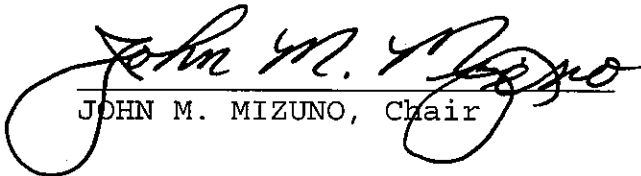
- (10) Appropriating an unspecified amount from the general fund for fiscal year (FY) 2011-2012 and FY 2012-2013 for fiduciary organizations to operate individual development account programs.

The Hawaii Alliance for Community Based Economic Development and Helping Hands Hawaii testified in support of this bill. A concerned individual opposed this measure. The Department of Human Services provided comments.

Your Committee has amended this bill by changing its effective date to July 1, 2075, to encourage further discussion.

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. 1108, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1108, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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


JOHN M. MIZUNO, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

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Record of Votes of the Committee on Human Services

Bill/Resolution No.: SB 1108, SD2	Committee Referral: HUS, FIN	Date: 3/14/2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HUS Members	Ayes	Ayes (WR)	Nays	Excused
1. MIZUNO, John M. (C)	✓			
2. JORDAN, Jo (VC)	✓			
3. BELATTI, Della Au				✓
4. HANOHANO, Faye P.	✓			
5. LEE, Chris	✓			
6. MORIKAWA, Dee	✓			
7. WOOLEY, Jessica				✓
8. YAMANE, Ryan I.				✓
9. CHING, Corinne W.L.	✓			
10. PINE, Kymberly Marcos	✓			
TOTAL (10)	7			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 8pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				