

STAND. COM. REP. NO.

220

Honolulu, Hawaii

FEB 15 2011

RE: S.B. No. 951
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 951 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 Pilot Project for Medicaid-eligible children who are enrolled in Hawaii's QUEST program.

Your Committee received testimony in support of this measure from 'Ohana Health Plan, Hawai'i Alliance for Community-Based Economic Development (HACBED), Hawaii Credit Union League, Hawaiian Community Assets, and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that healthy children and adults are less likely to live in poverty. Studies show that children who are raised with good health behaviors, including annual doctor check-ups, are more likely to continue that behavior as adults. Healthier children are less likely to grow up obese or suffer from alcoholism and substance abuse, factors which contribute to the continued cycle of poverty.

Your Committee further finds that health service initiatives under the Children's Health Insurance Program are activities that protect the public health, protect the health of individuals,

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improve or promote the State's capacity to deliver public health services, or strengthen the human and material resources necessary to improve the health of children, including low-income children.

Your Committee also finds that asset building is an approach to fostering financial independence. It provides individuals with tangible incentives to save, and can help them gain financial success. Asset building is essential because it provides financial security against difficult times, allows people to create economic opportunities for themselves, and leaves a legacy for future generations to have a better life. Your Committee finds that the Universal Children's Savings Account Pilot Program supports savings and asset building for children in Hawaii.

Your Committee understands the concerns regarding the use of only health services monies to contribute to the Universal Children's Savings Account, in which case the monies may only be used for health-related expenses, as opposed to the use of additional state or private funds, in which case the monies may be utilized for health-related and other purposes. Your Committee notes that if outside funding is permitted, it would be helpful to expand the savings goals to include funds for education, down payments on homes, retirement, starting a business, or purchase of a vehicle.

Your Committee finds that there is a discrepancy across testimony received by your Committee regarding whether the State of Hawaii would be required to contribute twenty-five percent of the funding for the Universal Children's Savings Account Pilot Program. Your Committee believes this discrepancy merits further discussion by the Committee on Ways and Means.

Your Committee has amended this measure by:

- (1) Adding a provision that states that funds in universal children's savings accounts may be used for health-related purposes only; provided that if additional sources of funds become available and are deposited into the accounts in compliance with applicable laws, regulations, and rules regarding the use of federal health services monies, the additional deposited funds may also be used for purposes other than health-related purposes; and



- (2) 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 951, 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,

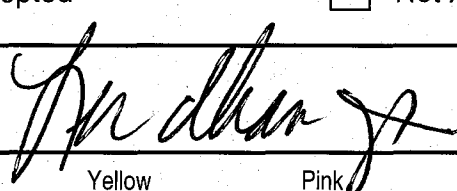
Suzanne Chun Oakland

SUZANNE CHUN OAKLAND, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Human Services
HMS

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|--|---------------------|-----------------|---------------------|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB 951 | HMS, WAM | 2-1-11 | | |
| <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) | ✓ | | | |
| GREEN, M.D., Josh | ✓ | | | |
| SLOM, Sam | | | | ✓ |
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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: | | | | |
|  | | | | |
| Distribution: | | | | |
| Original | Yellow | Pink | Goldenrod | |
| File with Committee Report | Clerk's Office | Drafting Agency | Committee File Copy | |

*Only one measure per Record of Votes