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# HOUSE CONCURRENT RESOLUTION

ESTABLISHING A LEGISLATIVE INTERIM TASK FORCE TO STUDY AND MAKE  
RECOMMENDATIONS FOR THE CREATION OF UNIVERSAL CHILDREN'S  
SAVINGS ACCOUNTS.

1           WHEREAS, economic stability does not arise solely from  
2 income; and  
3

4           WHEREAS, financial assets, such as cash savings, stocks,  
5 bonds, and home and business equity, are a critical component of  
6 economic security; and  
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8           WHEREAS, financial assets offer individuals a viable and  
9 hopeful future, stimulate development of human and other  
10 capital, and enhance the welfare of children; and  
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12           WHEREAS, the rate of family savings is the lowest that it  
13 has been since the great depression and research indicates that  
14 twenty-five per cent of households in Hawaii are "asset poor";  
15 and  
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17           WHEREAS, one of the most novel and promising ways to  
18 achieve a universal, progressive asset building system over time  
19 is to provide each generation of children with a universal  
20 children's savings account which is a restricted, start-in-life  
21 asset account at birth that could be used for education,  
22 homeownership, or starting a business; now, therefore,  
23

24           BE IT RESOLVED by the House of Representatives of the  
25 Twenty-fourth Legislature of the State of Hawaii, Regular  
26 Session of 2007, the Senate concurring, that the Senate  
27 Committee on Human Services and Public Housing and the House  
28 Committee on Human Services and Housing convene as a legislative  
29 interim task force to study and make recommendations regarding  
30 the creation of progressively-funded universal children's  
31 savings accounts to be created at birth for every child in  
32 Hawaii; and  
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1 BE IT FURTHER RESOLVED that the goal of the study is to  
2 increase the savings and financial literacy in the State, by  
3 increasing the number of Hawaii children who own assets, attend  
4 post-secondary education or training, purchase a home, or open a  
5 small business through universal children's savings accounts;  
6 and

7  
8 BE IT FURTHER RESOLVED that the task force shall consider  
9 the following in its recommendations for the design of universal  
10 children's savings accounts:

- 11
- 12 (1) Savings vehicle - rate of return, safety of the  
13 investment and insurance for the account, ease of  
14 managing the account, ease of making various forms of  
15 deposits;
  - 16
  - 17 (2) State contributions - the state contribution to the  
18 initial deposit, the amount, time frame and  
19 eligibility requirements to receive state matching  
20 dollars, the mechanisms to distribute state  
21 contributions, the estimate costs and benefits;
  - 22
  - 23 (3) Ownership of the account - impact on eligibility for  
24 student financial aid, public assistance and other  
25 public benefits, taxation of the account earnings and  
26 distributions;
  - 27
  - 28 (4) Financial education - provision of financial education  
29 to child and family, access to additional financial  
30 services;
  - 31
  - 32 (5) Restrictions - withdrawal or distribution prior to the  
33 child reaching age eighteen, portability of the  
34 account, limits on permissible uses of the account;
  - 35
  - 36 (6) Revenue sources - for the initial deposit and any  
37 savings match, feasibility of a state match for  
38 deposits for children in low-income families;
  - 39
  - 40 (7) Mechanisms for data collection and tracking; and
  - 41
  - 42 (8) Any other factors that the task force deems important  
43 to the program design; and
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1 BE IT FURTHER RESOLVED that the task force include public  
2 input from a representative of an organization with expertise in  
3 asset building in Hawaii; an operator of an individual  
4 development account/matched savings and financial education  
5 program; a grassroots organizing entity; a poverty law  
6 organization; a business association; a bankers professional  
7 association; a child advocacy organization; a rural community  
8 action program; organized labor; a bank; a credit union; and an  
9 investment services provider; and

10  
11 BE IT FURTHER RESOLVED that the following officials are  
12 requested to serve as ex-officio members of the task force: the  
13 Director of Budget and Finance or the Director's designee, the  
14 Director of the Department of Commerce and Consumer Affairs or  
15 the Director's designee; the Director of Business, Economic  
16 Development, and Tourism or the Director's designee; the  
17 Director of Human Services or the Director's designee; the  
18 Director of Taxation or the Director's designee; and the  
19 President of the University of Hawaii or the President's  
20 designee; and

21  
22 BE IT FURTHER RESOLVED that the task force is requested to  
23 consult with national organizations such as the Corporation for  
24 Enterprise Development, which is currently engaged in a multi-  
25 year national initiative, Saving for Education,  
26 Entrepreneurship, and Downpayment Policy and Practice  
27 Initiative, for the purpose of developing, testing, and  
28 implementing matched savings accounts and financial education  
29 for children and youth; and

30  
31 BE IT FURTHER RESOLVED that the task force is requested to  
32 submit a report, including any proposed legislation, no later  
33 than twenty days prior to the convening of the Regular Session  
34 of 2008; and

35  
36 BE IT FURTHER RESOLVED that certified copies of this  
37 Concurrent Resolution be transmitted to the President of the  
38 Senate, the Speaker of the House of Representatives, the Chair  
39 of the Senate Committee on Human Services and Public Housing,  
40 the Chair of the House Committee on Human Services and Housing,  
41 the Director of Commerce and Consumer Affairs, the Director of



1 Business, Economic Development, and Tourism, the Director of  
2 Human Services, the Director of Taxation, and the President of  
3 the University of Hawaii.  
4  
5  
6

OFFERED BY:

*Maui L.*

*Alvin Paul*  
*Tom Zomer*  
*Alvin D. Sarno II*  
*Raymond*  
*Sylvia B. Berg*  
*[Signature]*  
*[Signature]*

*[Signature]*  
*Jim Tom*  
*Michael J. Nguyen*  
*Sharon L. Ho*  
*Cindy Evans*  
*Paul C.*  
*L. Ho*  
*Gella A. Belatti*  
*Juanakun*  
*Jay McHenry*  
*Marilyn B. Lee*  
*Kal Khosh*  
*[Signature]*

