

Honolulu, Hawaii

FEB 18 2009

RE: S.B. No. 789

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Human Services, to which was referred S.B. No. 789 entitled:

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

begs leave to report as follows:

The purpose of this measure is to enhance the individual development accounts program by:

- (1) Clarifying the guidelines for the individual development accounts program;
- (2) Designating the Department of Human Services, or a contracted agency, as the administrator of the individual development accounts program; and
- (3) Appropriating funds to allow fiduciary organizations to operate individual development account programs.

Testimony in support of this measure was received from the Department of Human Services; Hawai'i Alliance for Community-Based Economic Development; and Aloha United Way. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that individual development accounts are special savings accounts that match the deposits of low- and moderate-income holders to save towards qualified financial goals, such as purchasing a home or paying tuition for higher education.



The accounts provide incentives to save, and provide families a sense of empowerment when they reach their financial goals.

Your Committee finds that the individual development accounts program, established by chapter 257, Hawaii Revised Statutes, will be benefited by clarifying the program's guidelines and designating the Department of Human Services or a contracted agency to provide administrative support. Further, appropriating funds to cover the operating costs of fiduciary organizations offering individual development accounts will allow these organizations to continue providing quality financial education, financial planning, and case management services.

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. 789 and recommends that it pass Second Reading 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



