

JAN 17 2020

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# A BILL FOR AN ACT

RELATING TO COLLEGE SAVINGS PROGRAM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that state-sponsored  
2 college savings accounts are an evidence-based method for  
3 helping students build savings to further their education.  
4 College savings accounts are special savings accounts that match  
5 the deposits of savers, provided that they participate in  
6 financial education, deposit the money through a student-run  
7 financial institution, and use the savings for post-secondary  
8 education. Research demonstrates that these accounts can help  
9 build better financial habits and promote secondary education  
10 among high school students.

11           Accordingly, the purpose of this Act is to:

- 12           (1) Require the State to match up to \$100,000 per calendar  
13           year for college savings account funds deposited with  
14           a student-run financial institution, subject to  
15           certain conditions; and  
16           (2) Appropriate funds.



1 SECTION 2. Chapter 256, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§256- College savings accounts within student-run  
5 financial institutions. (a) The State shall match an amount of  
6 up to \$100,000 per calendar year for college savings account  
7 funds deposited within a student-run financial institution;  
8 provided that the account holder completes a financial education  
9 program.

10 (b) Not more than a 2:1 match of state funds to account  
11 holder deposits shall be deposited into any college savings  
12 account within a student-run financial institution in any given  
13 year.

14 (c) State match funds shall only be withdrawn from the  
15 account when the account holder makes a request for the  
16 qualified expenditure. State match funds shall not be deposited  
17 directly into any account.

18 (d) When the total amount of certified contributions  
19 reaches \$1,000,000, the department shall immediately discontinue  
20 certifying contributions. In no instance shall the total amount



1 of certified contributions exceed \$1,000,000 over the five-year  
2 period between January 1, 2021 and December 31, 2025.

3 (e) For purposes of this section:

4 "Financial education program" means a certified class that  
5 teaches the capacity, based on knowledge, skills, and access, to  
6 manage financial resources effectively.

7 "Student-run financial institution" means a financial  
8 institution housed within any school in the State, sponsored by  
9 a financial institution licensed and chartered to do business  
10 within the State, whose deposits are insured either by the  
11 Federal Deposit Insurance Corporation or the National Credit  
12 Union Administration."

13 SECTION 3. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$                    or so  
15 much thereof as may be necessary for fiscal year 2020-2021 for  
16 the purposes of this act.

17 The sum appropriated shall be expended by the department of  
18 finance for the purposes of this Act.

19 SECTION 4. New statutory material is underscored.

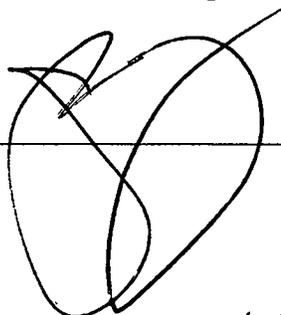
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1 SECTION 5. This Act shall take effect on July 1, 2020.

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INTRODUCED BY: \_\_\_\_\_

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and curves.

*Anna V. Smith*  
*Francis J. Brown*  
*Kal Rhoad*



# S.B. NO. 2552

**Report Title:**

College Savings Account; Matching; Appropriation

**Description:**

Requires the State to match up to \$100,000 per calendar year for college savings account funds deposited at student-run financial institutions, subject to certain conditions. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

