

A Bill for an Act Making an Appropriation to Aid Low-Income Groups in Establishing Small Economic Enterprises.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Findings and purpose. Approximately 20 percent of the families in the State of Hawaii earn less than \$4,200 per year.

Many of these unfortunate families, unable to meet the most basic living needs, receive assistance from the Department of Social Services and Housing. Other low-income families, however, may not receive assistance from the Department of Social Services and Housing for a variety of reasons including: a desire not to accept welfare, fear of State and Federal bureaucracies and lack of information concerning eligibility for various types of assistance.

Many low-income families have wage earners but their incomes are inadequate to meet normal living expenses, not to mention sudden emergencies. Even the individual employed full-time at the minimum wage level earns only \$3,200 per year. (Other families with low incomes are characterized by seasonal unemployment.)

Low-income families often enter a cycle whereby they are minimally self-sufficient during periods of employment, but become welfare recipients

during periods of temporary layoff or seasonal unemployment. This employment-welfare cycle is costly to individuals in terms of self-respect and dignity and to the State in dollars. The cycle is set in motion because of inadequate and unstable incomes and the lack of savings. The intent of this Act is to provide an innovative approach of income supplement and stabilization to low-income families. If these objectives are achieved, this program should demonstrate the feasibility of breaking the employment-welfare cycle and lessen growing welfare rolls.

SECTION 2. Appropriation. There is appropriated out of the general revenues of the State of Hawaii, the sum of \$50,000, or so much thereof as may be necessary, to the Hawaii Office of Economic Opportunity for the purpose of providing grants-in-aid, not in excess of \$7,500 for any one grant, to low-income individuals, families, groups of families or other groups that wish to establish small economic enterprises for the purposes of income supplement; provided that the sum of \$5,000 from the total amount appropriated may be expended by the Hawaii Office of Economic Opportunity for the development and administration of evaluation techniques and program monitoring; and provided, further, that the Hawaii Office of Economic Opportunity shall report its findings of the program evaluation to the Legislature at least twenty days prior to the beginning of the next regular session of the Legislature.

In determining "low income", the guidelines used by the United States Office of Economic Opportunity will be followed.

SECTION 3. Effective date. This Act shall take effect on July 1, 1971.

(Approved May 30, 1971.)