

STAND. COM. REP. NO.

79

Honolulu, Hawaii

Feb 6, 2007

RE: H.B. No. 103

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 103 entitled:

"A BILL FOR AN ACT RELATING TO SOCIAL SERVICES,"

begs leave to report as follows:

The purpose of this bill is to require the Department of Human Services (DHS) to establish a Micro-credit Pilot Program to provide loans to qualified low-income individuals.

DHS, 3Point, the Hawaii Alliance for Community-Based Economic Development, and Hawaii Centers for Independent Living testified in support of this bill.

Your Committee finds that DHS does not have the expertise to administer a loan program and provide some of the services proposed in this measure. There are existing entities in Hawaii that currently administer micro-credit loan programs, but your Committee is taking a cautious approach in requiring DHS to administer such a program without expertise, particularly because federal funds may be involved.

Your Committee respectfully requests that DHS provide an approximate cost for the feasibility study.

HB103 HD1 HSCR HSH HMS 2007-1637



Accordingly, your Committee has amended this bill by:

- (1) Requiring DHS to conduct a feasibility study of implementing a Micro-credit Loan Program instead of requiring a pilot program;
- (2) Requiring DHS to also consult with DHS's Vocational Rehabilitation and Services for the Blind Division, and Maui Economic Opportunity and other local agencies with experience in micro-credit programs;
- (3) Changing the appropriation to expend Federal Temporary Assistance for Needy Families program funds instead of general funds; and
- (4) Making other technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 103, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Human Services &
Housing,



MAILE SHIMABUKURO, Chair



