

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN
DIRECTOR
BARBARA A. YAMASHITA
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 24, 2012

MEMORANDUM

TO: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2685, H.D. 1 - RELATING TO HUMAN SERVICES**

Hearing: Friday, February 24, 2012; 2:30 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of this bill is to raise the asset limit for public assistance programs from \$5,000 to \$10,000, and requires the Department of Human Services to conduct a study on asset limits due no later than twenty days prior to the convening of the regular session of 2013.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the overall concept of this bill as it includes initiatives supportive of our goals and objectives, but the Department requests time to study the cost implications generated by this proposal. A change in the asset limit may affect all assistance programs that the Department administers. The raising of the asset limits proposed in Section 2 of this bill is premature without an evaluation of the fiscal consequences.

The DHS supports reporting to the Legislature, before the start of the Legislative Session next year, on the fiscal and other impacts of raising the current asset limits with recommendations for change(s) where appropriate.

Thank you for the opportunity to provide comments on this bill.
AN EQUAL OPPORTUNITY AGENCY



HB2685 HD1
RELATING TO HUMAN SERVICES
House Committee on Finance

February 24, 2012

2:30 p.m.

Conference Room 308

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB2685 HD1, which would increase the asset limit qualification for public assistance programs from \$5,000 to \$10,000. It would also require the Department of Human Services to conduct a study on asset limits and submit its findings and recommendations to the 2013 Legislature. OHA included similar legislation to raise asset limits to \$15,000 in our 2012 Legislative Package (HB1987 and SB2178).

Hawai'i's high cost of living has a significant impact on the families in our society who are struggling to make ends meet. As a last resort, these families often end up relying on public assistance to sustain their basic needs. Currently, public assistance programs limit eligibility to those who have few or no assets. Unfortunately, such asset limits provide an incentive for individuals to divest themselves of assets and a disincentive to accumulate assets. This is problematic, as families need assets to avoid and escape poverty and become self-sufficient.

While we would prefer to see the current asset limit raised above what HB2685 HD1 proposes, we still support any improvement to the status quo. We also support the included requirement that the Department of Human Services conduct a study on asset limits and submit its findings and recommendations to the 2013 Legislature. We encourage the Department of Human Services to work with the Asset Building and Financial Education Task Force - Asset Limit subcommittee on these recommendations.

OHA urges the committee to **PASS** HB2685 HD1. Mahalo nui for the opportunity to testify on this important measure.



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Managing Partner,
Commercial & Business Lending

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Rian Dubach (*at large*)
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American Savings Bank

Treasurer

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Asset Building Coalition &
Chaminade University

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Development Corporation

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Public Charter School

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development Corporation – MA'O
Organic Farms

Tommy Otake (*at large*)
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Briana Monroe
Asset Development Specialist

Brent Dillabaugh
Asset Policy Coordinator

Susan Tamanaha
*Family & Individual Self-
Sufficiency Program Coordinator*

Brent Kakesako
*Policy & Program Development
Specialist*

na T. Esene
Program Support Assistant

Friday, February 24, 2012
House Committee on Finance
Conference Room 308

Testimony in Support of HB2685
Relating to Asset Limits

Dear Chair Oshiro and Committee Members:

The Hawai'i Alliance for Community-Based Economic Development (HACBED) **supports HB2685** which increases the asset limit for public benefit programs from \$5,000 to \$10,000.

Raising or eliminating public benefit program asset tests are part of a broader asset building agenda that seeks to foster financial independence and self sufficiency for our families. It provides individuals with tangible incentives to save, helping them to gain financial success. Assets are essential for three reasons:

1. To have **financial security** against difficult times
2. To create **economic opportunities** for oneself
3. To **leave a legacy** for future generations to have a better life

Current TANF eligibility requirements limit assets to \$5,000. If individuals or families have assets exceeding this limit, they must "spend down" longer-term savings. Personal savings and assets are precisely the kinds of resources that allow people to move off public benefit programs and having such low asset limits can discourage anyone considering or receiving public benefits from saving for the future.

Overall, since 1996, 24 states have eliminated Medicaid asset limits entirely; five states have eliminated TANF asset limits; and 37 states have eliminated SNAP asset limits. Three states have substantially increased the asset limits in their Medicaid or TANF programs, and 37 states have excluded important categories of assets from these limits in one or both programs.

Thanks for this opportunity to submit testimony in support of HB2685.

Sincerely,

Brent Dillabaugh
Asset Policy Coordinator

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 22, 2012 4:12 PM
To: FINTestimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for HB2685 on 2/24/2012 2:30:00 PM

Testimony for FIN 2/24/2012 2:30:00 PM HB2685

Conference room: 308
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: United Self Help
E-mail: robertscottwall@yahoo.com
Submitted on: 2/22/2012

Comments:

We stand in strong support of this bill. This bill recognizes the continuing impact of inflation on life in these islands. It recognizes the expense involved in a family moving out of a shelter and into their new apartment. First, last, deposit, utilities, misc expenses, groceries, gas. All that totals up to way more than \$5,000 in Hawaii. The goal is to allow people to build a new life. Sometimes these asset limits have the reverse effect and doom people to a life on public assistance. We support this bill and the clear sightedness it shows.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Wednesday, February 22, 2012 7:24 PM
To: FINTestimony
Cc: info@schha.com
Subject: Testimony for HB2685 on 2/24/2012 2:30:00 PM

Testimony for FIN 2/24/2012 2:30:00 PM HB2685

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Annie Au Hoon, President
Organization: Kewalo Hawaiian Homestead Community Assn, SCHHA
E-mail: info@schha.com
Submitted on: 2/22/2012

Comments:
STRONGLY SUPPORT

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Friday, February 24, 2012 9:38 AM
To: FINTestimony
Cc: framodda@yahoo.com
Subject: Testimony for HB2685 on 2/24/2012 2:30:00 PM

Testimony for FIN 2/24/2012 2:30:00 PM HB2685

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Ramoda Anand
Organization: The Life of a Physically Challenged Adult..
E-mail: framodda@yahoo.com
Submitted on: 2/24/2012

Comments: