



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

March 28, 2012

MEMORANDUM

TO: The Honorable David Y. Ige, Chair
Senate Committee on Ways and Means

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 2685, H.D. 2, S.D. 1 - RELATING TO HUMAN SERVICES**

Hearing: Wednesday, March 28, 2012; 9:30 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of this bill is to require the Department of Human Services to conduct a study on asset limits for public assistance programs and report its findings and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 2013.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this bill. The Department believes a review of the current asset limits for its public assistance programs is timely. The Department and the Financial Assistance Advisory Council will evaluate the information on increasing asset limits and will provide a report and recommendations to the 2013 Legislature.

Thank you for the opportunity to provide comments on this bill.



HB2685 HD2 SD1
RELATING TO HUMAN SERVICES
Senate Committee on Ways and Means

March 28, 2012

9:30 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB2685 HD2 SD1, which would require the Department of Human Services to conduct a study on asset limits for public assistance programs and submit its findings and recommendations to the 2013 Legislature.

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 to \$15,000 or completely eliminated, we still support any improvement to the status quo. We recognize that the requirement for the Department of Human Services to conduct a study on asset limits and submit its findings and recommendations to the 2013 Legislature would be a mechanism to improve the status quo. 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 HD2 SD1. Mahalo nui for the opportunity to testify on this important measure.



Board Members

President

Jason Okuhama (*at large*)
Managing Partner,
Commercial & Business Lending

Secretary

Rian Dubach (*at large*)
Vice President, Corporate Banking
American Savings Bank

Treasurer

Wayne Tanna (*at large*)
Asset Building Coalition &
Chaminade University

Kipukai Kualii (*Kaua'i*)
Operations Director
YWCA – Kaua'i

Stacy Crivello (*Moloka'i*)
President
Ke Aupuni Lokahi

Puni Kekauoha &
Adrienne Dillard (*O'ahu*)
Papakolea Community
Development Corporation

Keikialoha Kekipi &
Susie Osborne (*Hawai'i*)
Ho'oulu Lahui/ Kua O Ka La
Public Charter School

Kukui & Gary Maunakea-Forth
(*O'ahu*)
Wai'anae Community Re-
development Corporation – MA' O
Organic Farms

Tommy Otake (*at large*)
Attorney At Law

HACBED Staff

Robert Agres, Jr
Executive Director

Briana Monroe
Asset Development Specialist

Brent Dillabaugh
Asset Policy Coordinator

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

Brent Kakesako
*Policy & Program Development
Specialist*

Athena T. Esene
Program Support Assistant

Tuesday, March 28, 2012
Senate Committee on Ways and Means
Testimony in Support of HB2685
Relating to Asset Limits

Dear Chair Ige and Committee Members:

The Hawai'i Alliance for Community-Based Economic Development (HACBED) **supports HB2685** which calls for the Department of Human Services to conduct a study on asset limits.

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