

NEIL ABERCROMBIE
GOVERNOR



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

March 15, 2012

MEMORANDUM

TO: The Honorable John M. Mizuno, Chair
House Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2178, S.D. 2 - RELATING TO HUMAN SERVICES**

Hearing: Thursday, March 15, 2012; 9:00 a.m.
Conference Room 329, 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.



SB2178 SD2
RELATING TO HUMAN SERVICES
House Committee on Human Services

March 15, 2012

9:00 a.m.

Room 329

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB2178 SD2, which would require the department of human services to conduct a study on asset limits for public assistance programs and to report to the legislature. OHA supports this bill because it furthers our strategic priority of improving the economic self-sufficiency of Native Hawaiians, who have the highest rate of poverty in the state at 12.1%.

Hawai'i's high cost of living significantly affects the most vulnerable members of our population, including single parents and hardworking families who cannot make ends meet. As a last resort, these parents and families 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 increased to \$15,000 or completely eliminated, we still support any mechanism to improve the status quo. Thus, we support the amended language requiring 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 SB2178 SD2. Mahalo nui for the opportunity to testify on this important measure.



HACBED

Community Voice, Collective Action

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Brent Kakesako
*Policy & Program Development
Specialist*

Athena T. Esene
Program Support Assistant

Thursday, March 15, 2012 9:00 am
House Committee on Human Services
Testimony in Support of SB2178
Relating to Asset Limits

Dear Chair Mizuno and Committee Members:

The Hawai'i Alliance for Community Based Economic Development (HACBED) **supports SB2178** which requires the Department of Human Services to conduct a study of asset limits and report to the legislature.

Raising or eliminating public benefit program asset tests is 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 a 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 SB2178.

Sincerely,

Brent Dillabaugh
Asset Policy Coordinator

Testimony for HUS 3/15/2012 9:00:00 AM SB2178

Conference room: 329
Testifier position: Support
Testifier will be present: No
Submitted by: Hanalei Y Aipoalani
Organization: Individual
E-mail: haipoalani@yahoo.com
Submitted on: 3/13/2012

Comments:
Dear Chair Mizuno, Vice Chair Jordan and members:

Aloha no!

I write to urge your support and passage of SB2178 SD2 relating to human services.

In order to enable our struggling families to rise above the level of poverty, a systemic overhaul to sharply address the barriers, i.e. asset limits, must be undertaken. Otherwise, the systems and processes currently in place to support Hawaii's needy families and individuals will exist only to continue to sustain and/or suppress Hawaii's needy.

This particular measure is a step in the right direction as it affords the Department of Human Services an opportunity to assess best practices and policies related to asset limits for public assistance programs.

I thank you in advance for your support of this measure.

Mahalo,

Hanalei
Private Citizen