

SB 2936

Measure Title: RELATING TO PUBLIC ASSISTANCE PROGRAMS.

Report Title: Human Services; TANF Program; Public Assistance Programs

Description: Eliminates the asset limit for Hawaii's temporary assistance for needy families program eligibility. Exempts the fair market value of all motor vehicles in a household when determining eligibility for Hawaii's temporary assistance for needy families program.

Companion:

Package: None

Current Referral: HMS, WAM

Introducer(s): CHUN OAKLAND (BR), Shimabukuro

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 14, 2012

MEMORANDUM

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2936, Proposed S.D. 1 - RELATING TO PUBLIC ASSISTANCE PROGRAMS**

Hearing: Tuesday, February 14, 2012, 1:15 p.m.
Room 016, State Capitol

PURPOSE: The purpose of this bill is to allow the Department of Human Services (DHS) to draw from other funds appropriated to DHS in the event the General Assistance (HMS 204) appropriation is insufficient to meet General Assistance benefits payments.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports the proposed S.D. 1 of this bill.

The general assistance program (HMS 204), pursuant to section 346-53(b), Hawaii Revised Statutes, is a block grant program that provides a monthly benefit to disabled individuals. The maximum allowance a general assistance recipient may receive is determined by dividing the amount of the appropriation by the number of general assistance recipients. The DHS must adjust GA payments to remain within the GA appropriation when the caseload increases or decreases.

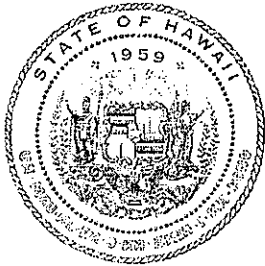
For fiscal year 2012, the payment level began at \$353, but due to caseload increases the benefit payment amount was reduced to \$319 in October 2011. To remain within the authorized appropriation the monthly benefit payment must be either reduced further to \$275 in April 2012 until the end of the fiscal year or the \$319 monthly benefit can be maintained until May 2012 and the benefit reduced to \$188 for June 2012. In prior years, payment had been reduced to as low as \$234 as caseloads increased. These reductions and fluctuations provide no stability to households who already live below poverty levels. Stopping the benefit payment or reducing the amount of the benefit payment for these individuals poses a real threat to the individuals' health and safety. It is also almost certain to trigger increased homelessness. Please note that the average stay of recipient on GA is six (6) months.

The DHS has requested an emergency appropriation for the current fiscal year to maintain the benefit amount at \$319 per month. To reduce the future need to request emergency appropriations for the GA program, the Department proposes to utilize, when needed, savings from other programs. This bill would allow the DHS to use savings in other programs of the Department to fund the shortfalls in the GA program due to caseload fluctuations.

The Department of Human Services sincerely appreciates the assistance of the Chair, Co-Chair and members of the House Human Services Committee for providing and scheduling this proposed bill for the general assistance program.

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

HAWAII
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ON THE
STATUS
OF
WOMEN



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Executive Director
Catherine Betts, Esq.

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February 13, 2012

Testimony in Support of SB2936

To: Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Jr., Vice Chair
Members of the Senate Committee on Human Services

From: Catherine Betts, Esq., Executive Director, Hawaii State Commission on the Status of Women

Re: Testimony in Support of SB 2936, SD 1, Relating to Public Assistance Programs

On behalf of the Hawaii State Commission on the Status of Women, I would like to thank the committee for this opportunity to provide testimony on this important issue. I would like to express my support for this bill, which would eliminate the asset limit for Hawaii's TANF eligibility.

Eliminating the asset limit for TANF eligibility would enable families to financially save while still receiving necessary public benefits. Currently, many families are forced to dispose of any assets or savings they may have in order to qualify for public assistance. Nationwide, various states have completely eliminated the asset limit for TANF eligibility. Many states have exempted motor vehicles as well. Additionally, Illinois has exempted retirement accounts and Colorado raised the asset limit from \$2,000.00 to \$15,000.00, while also exempting retirement and education savings.¹

When TANF succeeded AFDC in 1997, a national emphasis was placed on gaining or maintaining employment, promoting economic self-sufficiency and reducing dependency on public benefits. These goals are difficult to meet for many of our struggling and low-income families and these goals become even more difficult to attain with an asset limit requirement. Eliminating the asset limitation would allow many of our struggling families to grow their savings and accumulate assets—two things that are absolutely necessary to maintain a life above the poverty line. The Commission respectfully requests that this Committee pass SB 2936, SD 1.

Thank you for this opportunity,

Catherine Betts, Esq.

¹ The Shriver Brief, Sargent Shriver Center on Poverty Law, available at <http://www.theshriverbrief.org/2011/08/articles/asset-building/updates-on-asset-limit-reform/>, last visited on February 13, 2012.



SB2936 SD1
RELATING TO PUBLIC ASSISTANCE PROGRAMS
Senate Committee on Human Services

February 14, 2012

1:15pm

Conference Room 016

The Office of Hawaiian Affairs (OHA) would like to offer the following comments on SB2936 SD1, which allows the department of human services to draw from other funds appropriated to the department in the event the general assistance appropriation is insufficient to meet general assistance benefits payments.

While the original intent of this measure was to eliminate asset limits for public benefit assistance recipients, it has been significantly amended from its previous version. SB2936 SD1 would now provide the department with the flexibility to use funds from other sources to meet the needs of general assistance benefit payments. While OHA respects and acknowledges this version of the bill, OHA would like to reiterate its support for the original version of the bill, which would eliminate asset limits for those who receive public assistance and encourage families to save.

Mahalo nui for the opportunity to testify.

Sterling Wong

HACBED

Community Voice, Collective Action

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Attorney At Law

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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

Thursday, February 9, 2012 1:30 pm
Senate Committee on Human Services
Testimony in Support of SB2936
Relating to Asset Limits

Dear Chair Chun Oakland and Committee Members:

The Hawai'i Alliance for Community-Based Economic Development (HACBED) **supports SB2936** which increases the asset limit for TANF program eligibility from \$5,000 to \$15,000.

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.

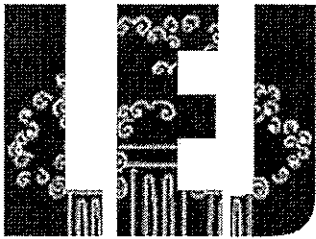
Overall, since 1996, 24 states have eliminated Medicaid asset limits entirely; five states have eliminated TANF asset limits; and 37 states have eliminated SNAP asset limits. Three states have substantially increased the asset limits in their Medicaid or TANF programs, and 37 states have excluded important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

Thanks for this opportunity to submit testimony in support of SB2936.

Sincerely,

Brent Dillabaugh
Asset Policy Coordinator

HAWAII APPLESEED CENTER



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AND
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JUSTICE

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Executive Director

Victor Geminiani, Esq.

Date: February 13, 2012

To: Senator Chun Oakland, Senate Chair, Human Services Committee

From: Victor Geminiani, Executive Director

Hawaii Appleseed Center for Law and Economic Justice

Re: Testimony in support of SB2936

Scheduled for a hearing on Feb. 14, 2012, 1:15 pm

Dear Chair Chun Oakland and committee members;

Thank you for an opportunity to testify in strong support of SB2936 which would eliminate the asset limit for Hawaii's Temporary Assistance for Needy Families (TANF) program eligibility. My name is Victor Geminiani and I am the Executive Director of the Hawaii Appleseed Center for Law and Economic Justice (formerly Lawyers for Equal Justice). Hawai'i Appleseed Center for Law and Economic Justice (LEJ) is a nonprofit, 501(c)(3) law firm created to advocate on behalf of low income individuals and families in Hawai'i on civil legal issues of statewide importance and to complement the assistance provided by existing legal services providers in the state. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.

Welfare policy needs to evolve with the times. Asset limits were part of the less thoughtful welfare system, limiting how much people could have to be eligible for public assistance. This causes families who hit dire financial straits to sell and/or spend down their assets in order to receive temporary public assistance. Selling these assets often leads to further dependence on public assistance, backpedaling from the goal of individual self-sufficiency.

According to the Corporation for Enterprise Development (CFED) research, the best option for public assistance policy is to eliminate all asset tests as a precedent for TANF, SNAP, and Medicaid benefits. Having any asset limit sends the signal that one should not save money nor build assets, rendering recipients more dependent on the government assistance for longer periods of time.

There are intermediate steps to the complete elimination of the asset test. CFED research indicates that adjusting the limits for inflation and/or raising the limits in a way that most recipients will not meet the limit mitigates the negative signals of the asset limits. Hawai'i could also exempt certain types of assets from being included, such as pensions, retirement accounts, health savings accounts, education savings accounts, individual development accounts, and home and/or vehicle ownership.

Again, thank you for providing us with an opportunity to testify in support of SB2936.

Aloha,

Victor Geminiani,
Executive Director

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 12, 2012 9:17 AM
To: HMS Testimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2936 on 2/14/2012 1:15:00 PM

Testimony for HMS 2/14/2012 1:15:00 PM SB2936

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Scott Wall
Organization: United Self Help
E-mail: robertscottwall@yahoo.com
Submitted on: 2/12/2012

Comments: