

SB 2937

Measure Title: RELATING TO PUBLIC ASSISTANCE PROGRAMS.

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

Description: Increases the asset limit for Hawaii's temporary assistance for needy families program eligibility. Exempts the value of an additional motor vehicle for each employed member of the 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), Ryan, Shimabukuro



SB2937
RELATING TO PUBLIC ASSISTANCE PROGRAMS
Senate Committee on Human Services

February 9, 2012

1:30pm

Room 016

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB2937, which would increase the asset limit for eligibility for Hawai'i's temporary assistance for needy families program. SB2937 would also exempt the value of an additional motor vehicle for each employed member of the household when determining eligibility for Hawai'i's temporary assistance for needy families program. OHA included similar legislation (HB1987 and SB2178) in our 2012 Legislative Package that would raise the asset limit from \$5,000 to \$15,000.

Hawai'i's high cost of living significantly affects the most vulnerable in our population, including single parents and other hardworking families who just cannot make ends meet. As a last resort, these families end up relying on public assistance to sustain their basic family 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 poverty and become self-sufficient.

The Corporation for Enterprise Development (CFED)—a national non-profit based in Washington, D.C., dedicated to expanding economic opportunity for low-income families and communities—recommends that states, among other things, completely eliminate asset limits for their Temporary Assistance for Needy Families programs or raise the asset limits for those programs to \$15,000. Today, one state has raised its asset limit to \$15,000, and five states have completely eliminated their asset limits. OHA supports a complete elimination of asset limits or an increase of asset limits to \$15,000 for public assistance recipients.

Either an increase or complete elimination of asset limits for those who receive public assistance would encourage families to save. It would also encourage low-income families to build and maintain a safety net to bridge their way to self-sufficiency, prevent job loss, and avoid a return to public assistance. At the same time, families would have an opportunity to build assets toward retirement, which would lessen their dependence on government support in the future.

OHA urges the committee to **PASS** SB2937. Mahalo nui for the opportunity to testify.

UNIVERSITY OF HAWAII

Bridge to Hope
Serving UH Welfare Recipient Students

TO: Committee on Human Services
Sen. Suzanne Chun Oakland, Chair
Sen. Les Ihara, Vice-Chair

FROM: Teresa Bill, Bridge to Hope Coordinator (956-8059)

RE: Testimony **Strongly SUPPORTING SB2937**, Relating to Human Services
Thurs. Feb 9, 2012 1:30 p.m. Conference Room 016

I am Teresa Bill, testifying in **strong support of SB2937** raising asset limits (unspecified amount) for TANF/TAONF public assistance. I am the coordinator of a UH program called Bridge to Hope that supports TANF participants in their pursuit of higher education as a means of economic self-sufficiency. However my testimony is not the official testimony of the University.

Of the three bills addressing Asset Limits for TANF before the Committee this afternoon (SB2178, SB2936, SB2937) I would **prioritize SB2936** which eliminates the asset test for TANF. Other States have eliminated asset tests without experiencing drastic increases in caseload (net income tests remain); and elimination makes it easier for DHS to achieve cost-savings with reduced case manager time spent checking asset limits.

Raising asset limit meets the recommendations of the Hawaii State Asset Building and Financial Education Taskforce recommendation submitted in January 2010 suggesting the elimination of asset tests, or alternatively raising it to meet the Self-sufficiency Standard for 3 months; the minimum recommended "emergency savings" (pg. 32). A family of 4 (2 adults, 2 children) needs approx. \$5100 per month to meet the 2009 Self-Sufficiency Income Standard published by DBEDT in Dec 2011.

Adjusted for inflation, the \$5,000 asset limit established in 1996 for Hawaii's "TANF" program is worth only \$3,500 in 2011. When TANF was initiated, rules were implemented to deter complete loss of all savings; we need to adjust the figure to maintain the intent to keep savings an option for families to re-build economically.

Raising the asset test would give families at least 2-3 months of expenses. This is what is recommended for all families to save to provide a cushion from unemployment or other unexpected loss of income. Our poorest families particularly need emergency savings.

Additionally, I am keenly aware that the current \$5,000 asset test is a barrier for the TANF students I work with. When UHManoa tuition is \$4,550 per semester (and rising every year), a student who receives financial aid - scholarships or loans can find themselves penalized by this asset test as their checking account balance could exceed \$5,000 in the process of receiving aid & paying tuition etc.

Also, this bill only addresses asset tests for TANF, which is a good start. But General Assistance, and Aid to Blind & Disabled are also adults who are penalized for any saving; their asset test is even lower, currently at \$2-3000.

As SB2937 indicates, many families are forced to spend every shred of "emergency savings" they might have in order to qualify for public assistance. This forced spending and withholding of financial assistance (and foodstamps) until a family has lost everything contradicts every tenet

of family financial stability. Once the family gains access to the public assistance program, they are then encouraged to begin building a path to "economic self-sufficiency" - often that includes rebuilding savings as a buffer against unexpected loss of jobs, car repair, etc. It is an unfortunate occurrence when a family must choose between initiating a savings plan and participating in TANF, whose stated goal is to encourage economic self-sufficiency; which reasonably includes emergency savings.

I urge you to **support SB2937** and give Hawaii families the ability to secure minimal public assistance without draining all resources.

Thank You

HACBED

Community Voice, Collective Action

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Development Corporation

Keikialoha Kekipi & Susie Osborne (*Hawaii*)

Ho'oulu Lahui/ Kua O Ka La
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Athena T. Esene
Program Support Assistant

Thursday, February 9, 2012 1:30 pm
Senate Committee on Human Services
Testimony in Support of SB2937
Relating to Asset Limits

Dear Chair Chun Oakland and Committee Members:

The Hawai'i Alliance for Community-Based Economic Development (HACBED) **supports SB2937** 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 SB2937.

Sincerely,

Brent Dillabaugh
Asset Policy Coordinator

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 05, 2012 12:05 PM
To: HMS Testimony
Cc: Brenda.Kosky@gmail.com
Subject: Testimony for SB2937 on 2/9/2012 1:30:00 PM

Testimony for HMS 2/9/2012 1:30:00 PM SB2937

Conference room: 016
Testifier position: Oppose
Testifier will be present: No
Submitted by: Brenda Kosky
Organization: Individual
E-mail: Brenda.Kosky@gmail.com
Submitted on: 2/5/2012

Comments:

These two Bills sound like they were written by the different Gypsies that rotate coming to Hawaii to con house roofing, and bad car sales. This is how their whole culture rolls in Hawaii.

I have lived amongst them I know personally. They are great at abusing the system. One should be aware something is up if they are pushing for the law to ignore their expensive cars.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 04, 2012 12:49 PM
To: HMS Testimony
Cc: robertscottwall@yahoo.com
Subject: Testimony for SB2937 on 2/9/2012 1:30:00 PM

Testimony for HMS 2/9/2012 1:30:00 PM SB2937

Conference room: 016
Testifier position: Support
Testifier will be present: Yes
Submitted by: Scott Wall
Organization: Individual
E-mail: robertscottwall@yahoo.com
Submitted on: 2/4/2012

Comments: