

Honolulu, Hawaii

APR 01 2013

RE: H.B. No. 1375
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1375, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HUMAN SERVICES,"

begs leave to report as follows:

The purpose and intent of this measure is to require the financial assistance advisory council to assist the Department of Human Services in restructuring the welfare payment systems.

More specifically, this measure requires the financial assistance advisory council to:

- (1) Revise the welfare payment structure to incentivize recipients to seek higher paying jobs without losing welfare benefits;
- (2) Explore other possible methods to incentivize welfare recipients to achieve financial self-sufficiency; and
- (3) Submit a report of findings and recommendations to the Legislature.

Your Committee received written comments in support of this measure from the Department of Human Services and one individual.

Your Committee finds that the current welfare payment structure provides a strong disincentive for welfare recipients to seek higher paying jobs because of the fear of losing their



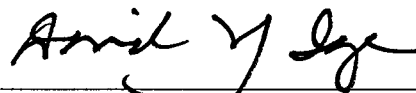
beneficiary status, thus perpetuating their financial dependence on the welfare system. A restructuring of the current welfare payment system would enable more people to slowly gain financial independence without losing their beneficiary status and encourage recipients to strive for higher paying employment.

Your Committee has amended this measure by:

- (1) Changing the term "qualifying recipient" to "recipient" for consistency;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1375, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1375, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

| | | | | |
|--|--|-------------------------|----------|----------|
| Bill / Resolution No.:* HB 1375, SD1 | Committee Referral: HMS, WAM | Date: 3-22-13 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| IGE, David Y. (C) | ✓ | | | |
| KIDANI, Michelle N. (VC) | ✓ | | | |
| CHUN OAKLAND, Suzanne | ✓ | | | |
| DELA CRUZ, Donovan M. | ✓ | | | |
| ENGLISH, J. Kalani | ✓ | | | |
| ESPERO, Will | ✓ | | | |
| KAHELE, Gilbert | | | | ✓ |
| KEITH-AGARAN, Gilbert S.C. | ✓ | | | |
| KOUCHI, Ronald D. | ✓ | | | |
| RUDERMAN, Russell E. | ✓ | | | |
| THIELEN, Laura H. | | | | ✓ |
| TOKUDA, Jill N. | ✓ | | | |
| SLOM, Sam | | ✓ | | |
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| TOTAL | 10 | 1 | 0 | 2 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <i>Michelle N. Kidani</i> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes