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February 6, 2013

To: The Honorable Mele Carroll, Chair  
House Committee on Human Services

Date: Thursday, Friday 2, 2013  
Time: 09:30 a.m.  
Place: Conference Room 329, State Capitol

From: Mila Kaahanui, MSW  
Executive Director  
Office of Community Services (OCS)

## TESTIMONY IN SUPPORT

### Testimony for H.B. 1188 Relating to the Economic Opportunity Poverty Reduction Task Force

#### I. OVERVIEW OF PROPOSED LEGISLATION

The measure proposes to establish an Economic Opportunity Poverty Reduction Task Force, within the Office of the Governor for administrative purposes, to assess current state practices that promote economic opportunity and poverty, to assess current state practices that promote economic opportunity and poverty reduction and to develop a strategic, integrated and comprehensive plan to expand economic opportunities in Hawaii and reduce the number of Hawaii residents living in poverty.

The Office of Community Services supports the intent of this bill.

#### II. CURRENT LAW

Among other tasks, the Office of Community Services (OCS) administers the Community Services Block Grant (CSBG), a comprehensive Federal investment exclusively focused on reducing poverty. Using a mix of federal, state and local resources to address the problems that lead to systemic poverty, the CSBG allows State

and Community Action Agencies (CAA) to strategically target the root causes of poverty at the local level while impacting health and economic security on a national scale.

To this end, the OCS has worked collaboratively with officials within the Administration for Children and Families, U.S. Department of Health and Human Services, and local CAAs, providing fiscal and programmatic oversight and monitoring and reporting on their performance to both Federal and State authorities, since 1984.

The CAAs in Hawaii include the Kauai Economic Opportunity, Maui Economic Opportunity, the Hawaii County Economic Opportunity Council and the Honolulu Community Action Program, Inc.

### **III. COMMENTS ON HOUSE BILL**

The OCS is an advocate for the disadvantaged in Hawaii and recognizes the economic and social benefits of investing in people, supporting their aspirations to become economically self-reliant and strengthening their capacity to access and navigate available resources and services.

We support the intent of this bill, but do not believe a Task Force is necessary; existing partnerships and information are available to provide some of the information requested, specifically current policies and practices used in other states that promote economic opportunity and poverty reduction. For that information which needs to be compiled or projected (what is needed to reduce the number of residents living in poverty by 50% by 2021), OCS would suggest beginning with the existing CAA infrastructure to frame the project and identify appropriate resources to deal with specific problems. Next year will mark the 50th anniversary of Community Action, and during this long history of ameliorating issues that cause and extend poverty, our network of Federal, State, and local officials and the hundreds of providers they oversee, have learned that poverty is an interwoven set of issues and factors that differ in almost every case.

Defeating poverty will take sustained, concerted community action and this bill, though well-intentioned, does not nearly provide the breadth of knowledge and coordination needed to truly have meaningful dialogue. This conversation must extend beyond a few political appointees to the impoverished themselves, which was the innovation community action created. We suggest reviewing the community action plans of the CAA's, by County, as a starting point. We suggest holding this bill, doing additional planning and reintroducing a Resolution for a committee that truly captures the spirit and intention of anti-poverty programs nationwide.

# HACBED

Community Voice, Collective Action

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Date: February 4, 2013

To: Representative Mele Carroll, Chair, Representative Bertrand Kobayashi,  
Vice-Chair, and members of the Committee on Human Services

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic  
Development (HACBED)

Re: Support for HB 1188 with Comments

Aloha Chair Carroll, Vice-Chair Kobayashi, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) supports HB 1188, which establishes an economic opportunity poverty reduction task force, but would humbly ask the committee to frame the issue of poverty in terms of asset building for genuine wealth and empowerment. HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development and asset building strategies. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED played a facilitating role in the State Asset Policy Task Force and was a key contributor to the State Asset Policy Road Map and the passage of HB 1188 would build on the conversation that was started in 2010.

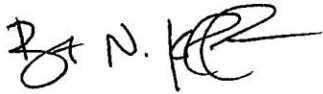
HACBED is part of local and national networks that are approaching this work through the lens of asset building. Locally, HACBED helps to facilitate the Ho'owaiwai Network, which is comprised of more than 200 organizations, agencies, and community-based groups that are collectively working to advance asset building policies and practices throughout the State, and would serve as a key resource for the work of this bill. On a nationwide scale, scholars and organizations focused on this area have recognized the need to shift their work from a poverty reduction frame to one of asset creation to truly empower impoverished families.

- Dr. Michael Sherraden, the champion for Children Savings Accounts, notes: "The question of how to escape from poverty is, in essence, the question of how to save and accumulate assets."
- Nobel Peace Prize recipient Muhammad Yunus writes: "Removal or reduction of poverty must be a continuous process of asset creation, so that the asset base of a poor family becomes stronger at each economic cycle, enabling them to earn, invest, and save more and more. A poor person cannot ensure a larger share of return for their work because their initial economic base is paper-thin. Only when one can gradually build up an asset base can one command a better share for one's work."
- CFED, a national nonprofit focused on promoting programs for social enterprises that create pathways to financial security and opportunity states: "This work and the growing field of asset-building has given us a new way of thinking

about poverty -- one based on the depth of overall financial stability not merely based on income. Such a broader view ultimately challenges us to promote greater economic sustainability -- one that can sustain us for months versus weeks and over multiple generations. Approaching anti-poverty work from this view point asks that we re-think the social compact between government and its constituents. It demands that we think beyond reactive policies focused narrowly on crisis intervention and preservation of the safety net, to policies that aim to proactively help individuals out of poverty -- in essence offering them a hand up instead of a hand out." CFED, 2011.

Based on HACBED's work and experience over the past 20 years focused on policies that strengthen the self-sufficiency and resiliency of families through asset building for family empowerment, the passage of HB 1188 with a reframing that focuses on asset building for genuine wealth and empowerment would make Hawai'i a leader in this field.

Mahalo for this opportunity to testify,

A handwritten signature in black ink, appearing to read "Brent N. Kakesako". The signature is stylized and cursive.

Brent N. Kakesako  
Chief Operating Officer  
Hawai'i Alliance for Community-Based Economic Development