



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

March 22, 2013

MEMORANDUM

TO: The Honorable David Y. Ige, Chair
Senate Committee on Ways and Means

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 1375, S.D. 1 - RELATING TO HUMAN SERVICES**

Hearing: Friday, March 22, 2013; 9:00 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of H.B. 1375, S.D. 1 is to request the Financial Assistance Advisory Council (FAAC) to assist the Department of Human Services (DHS) in proposing recommendations to restructure the welfare payment system and report its findings to the legislature.

DEPARTMENT'S POSITION: The Department of Human Services supports this bill and would like to thank the Senate Human Services committee for incorporating our recommended changes to this measure. The Department looks forward to working with the FAAC to explore other welfare payment structures and methods to incentivize recipients to seek financial self-sufficiency, and providing a report from these findings and recommendations to the Legislature, no later than twenty days prior to the convening of the 2014 Regular Session.

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

UNIVERSITY OF HAWAII

Bridge to Hope
Serving UH Welfare Recipient Students

Date: March 20, 2013

To: SENATE Committee on Ways And Means (WAM)
Sen. David Ige, Chair
Sen. Michelle Kidani, Vice-Chair

From: Teresa Bill, Univ. Hawai'i Bridge to Hope Coordinator
Ph: 956-9313

Re: Strongly Supporting HB 1375, SD1,
Relating To Human Services; Revising Welfare Payment Schedule

Fri. March 22, 2013

9:00 a.m.

Conference Room 211

I am Teresa Bill, **testifying in support of HB 1375,SD1**. As the Coordinator for UH Bridge to Hope which supports TANF participants in their pursuit of higher education as a means of economic self-sufficiency - I always support initiatives to increase families' ability to earn more and keep more of what they earn. I am testifying on my own behalf, and do not represent the official testimony of the University of Hawai'i.

I support the amended language of HB1375,SD1 which instructs the Financial Assistance Advisory Council to assist the Department of Human Services to re-evaluate and propose recommendations to the current welfare payment system. The intent is to incentivize TANF work participants to seek higher-paying jobs and career advancement without "falling off the so-called 'benefit cliff.'"

The "benefit cliff" (situations where families earn \$5 more and they instantly lose hundreds of dollars of assistance benefits) is real, it has a negative impact on families and is often a dis-incentive to earning more.

Please support HB1375, SD1. This will begin the process to address the difficult issue of "benefit cliffs" and give DHS the opportunity to revise the payment structure for TANF - which is sorely needed and long overdue.

Thank You