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Committee on Finance

HB7, HD1, RELATING TO THE ELDERLY

Testimony of Wes Lum Director, Executive Office on Aging Attached Agency to Department of Health

Wednesday, February 20, 2013; Conference Room 308

2:00 p.m.; Agenda #1

1 **EOA's Position:** The Executive Office on Aging (EOA) supports the intent of this measure,
2 provided that its enactment does not reduce or replace priorities within our Biennium Budget
3 Request.

4 **Fiscal Implications:** This measure creates the Hawaii Kupuna Trust Fund, which comprises of
5 public and private funding to meet the outstanding and future needs of Hawaii's elderly and
6 vulnerable adult population.

7 **Purpose and Justification:** EOA supports the concept of the Hawaii Kupuna Trust Fund as a
8 creative way of financing programs and services to strengthen elderly and vulnerable adult care.
9 Additionally, the work of the Advisory Board will incentivize the development of innovative
10 services that help older adults remain in their homes and communities with maximum
11 independence and dignity. However, we defer to the Department of Budget and Finance's (B&F)
12 position of opposing the creation of trust funds that do not meet the definition of Section 37-62,
13 HRS. Should your committee pass this measure, we ask that you consider B&F's concerns.
14 Thank you for the opportunity to testify.

Chair Luke and Committee Members:

My name is Anthony Lenzer. I am Chair of the Legislative Committee of the Policy Advisory Board for Elder Affairs (PABEA). PABEA advises the Executive Office on Aging (EOA), and advocates on behalf of Hawaii's older citizens. As neither PABEA nor its Legislative Committee have taken a position on this bill, my testimony is that of an individual, and consists of questions and comments:

(1) I note that the EOA supports the intent of the bill, calling attention to its potential for innovative financing and development of services for older people. I too see this type of potential in this fund.

(2) However, I do have some concern about the number of entities involved in the development and/or administration of the trust fund and its programs. These include a community non-profit entity; the Director of Health; the Department of Budget and Finance; an Advisory Board, and the several entities appointing the members of the Advisory Board; and the Executive Office on Aging. The bills tasks the EOA with serving as the "lead agency for the public sector" to administer the trust fund in conjunction with the Advisory Board. This raises the issue of possible confusion of roles and responsibilities, especially as the EOA Director is him/herself a member of the Advisory Board.

(3) Despite statements in 2 (c) that any state appropriations to the trust fund will not diminish any state funding for existing state programs for the elderly, the purposes of the proposed kupuna fund grants are very similar to the existing functions of the EOA and perhaps other state agencies, raising the question of duplication. In fact, Section 4 (d) requires the Advisory Board to "develop a strategic plan for strengthening elderly and vulnerable care in the State." However, the EOA is also required to develop such a plan.

(4) The bill indicates that the trust fund will consist of moneys appropriated by the county, state and/or federal governments, as well as contributions from private organizations and/or individuals. However, if the Director of Health determines that the Advisory Board's control over the fund is rescinded (2 (b)), moneys in the fund revert to the state and become trust moneys. This does raise such questions as: what if the majority of the moneys in the fund are NOT State moneys to begin with?

Thank you for the opportunity to submit testimony on this legislation.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 18, 2013 7:39 AM
To: FINTestimony
Cc: tabraham08@gmail.com
Subject: *Submitted testimony for HB7 on Feb 20, 2013 14:00PM*

HB7

Submitted on: 2/18/2013

Testimony for FIN on Feb 20, 2013 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

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HB7

Submitted on: 2/17/2013

Testimony for FIN on Feb 20, 2013 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ben Shafer	Individual	Support	No

Comments:

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