HB 868

Measure Title:	RELATING TO ELIMINATING THE ASSET LIMIT ELIGIBILITY REQUIREMENT FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM.
Report Title:	Asset Limit; Temporary Assistance for Needy Families Program
Description:	Eliminates the asset limit for the Temporary Assistance for Needy Families program.
Companion:	SB1099
Package:	Gov
Current Referral:	HMS, WAM
Introducer(s):	SOUKI (Introduced by request of another party)

NEIL ABERCROMBIE
GOVERNOR

PATRICIA McMANAMAN
DIRECTOR

BARBARA A. YAMASHITA
DEPUTY DIRECTOR

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

March 9, 2013

MEMORANDUM

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 868 - RELATING TO ELIMINATING THE ASSET LIMIT ELIGIBILITY REQUIREMENT FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM**

Hearing: Saturday, March 9, 2013; 3:00 p.m.
Conference Room 229, State Capitol

PURPOSE: The purpose of H.B. 868 is to eliminate the asset limit eligibility requirement for the Temporary Assistance for Needy Families (TANF) program.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) strongly supports this Administration bill.

The 2012 Legislature through House Resolution (H.R.) 124 had tasked the Department with conducting a study on asset limits to qualify for public assistance. The report, including details of findings and recommendations, can be found at the following web address:

http://humanservices.hawaii.gov/wp-content/uploads/2013/01/2012-HR-124-Asset-Limit-Study.pdf

The study recommended that the asset limit be eliminated for eligibility for the Temporary Assistance for Needy Families (TANF) program only. This recommendation is based on a review of six states that have eliminated the asset requirement for TANF with no increases in caseload or costs.

Six states: Alabama, Colorado, Ohio, Louisiana, Maryland and Virginia have eliminated asset limits with no increase in caseloads or costs. In 1997, Ohio became the first state to abolish TANF asset limits through legislative changes. Elimination of asset tests in Ohio resulted in no increase in caseload as of 2010, even with a national recession and an increase in the TANF benefit level. In 2003, Virginia's Department of Social Services adopted administrative rules which eliminated asset limits in TANF and family and child medical programs. Virginia has not experienced an increase in caseload; TANF caseload at the end of 2010 was 29% lower than in 1997. In Louisiana, three years after the 2009 change, there has been minimal change in TANF caseload. And, in Colorado where asset limits were increased to $15,000 in 2006 and completely eliminated effective 2011, Levetta Love, Executive Director of Colorado Works, the division within Colorado's Department of Human Services that manages the TANF program, wrote "We have seen little impact if any."

The DHS examined its caseload data to determine what, if any, impact this proposal may have. We concluded that elimination of TANF asset limits would likely have a minimal effect on caseloads and benefit costs because few applicants and current recipients have substantial resources or assets. The percentage of cases per month that have been denied due to excess assets is negligible for each of Hawaii's public assistance programs, less than one percent (less than .2%). The percentage of cases closed because of excess assets is even lower (less than .15%).

Those who support asset limits believe that asset tests are necessary to ensure that public assistance benefits are going to those who are in need of assistance and not to "asset-rich" individuals. There is also the concern that eliminating or raising asset limits would allow more individuals to qualify for public assistance benefits and result in unsustainable increases in caseloads and costs to the State. However, denials and closures data indicates that currently in Hawaii, few recipients or new applicants have substantial financial assets.

National trends also favor the elimination of asset limits. The DHS reviewed and evaluated policies and trends nationally and across the major assistance programs administered by the DHS such as the Supplemental Nutritional Assistance Program (SNAP) and the Medicaid Program.

As outlined in the federal Affordable Care Act (ACA), eligibility for Medicaid recipients, except aged, blind, or disabled individuals, will be determined without asset limits or a resource test. The SNAP program already uses TANF-funded programs as the reason to eliminate asset limits under their Broad Based Categorical Eligibility Program and Medicaid will eliminate asset limits in less than a year for households that are TANF eligible as a result of the federal ACA.

Elimination of asset limit rules for Hawaii's TANF program would simplify eligibility requirements and would reduce administrative burden on caseworkers and complement the intent of the DHS' business process re-engineering program (BPRP) which streamlines and creates efficiencies within the eligibility review process. Although difficult to quantify, savings would result from caseworkers not being required to expend resources to verify assets during initial application. Also, caseworkers are now required to review a case during recertifications and each time a recipient reports a change in assets or income. Repeated review of TANF cases to test if asset limits are being exceeded would no longer be required with the elimination of TANF asset limits. Other reform options such as raising or indexing asset limits to inflation would not reduce administration burden; caseworkers would still need to verify assets of applicants and current recipients.

States that have tracked actual savings from elimination of asset limits have found that cost and time savings have far outweighed the cost of any additional caseload. Although eliminating TANF asset tests resulted in an increase of $127,200 in benefit payments to an additional forty families, the state of Virginia accrued savings of $323,050 in administrative staff time. After eliminating Medicaid asset limits, New Mexico estimates that only $23,000 of additional state funds per year were expended due to a slight increase in Medicaid enrollment and the cost was easily offset by administrative cost savings. Additionally, Oklahoma estimates that it is spending $1 million less to administer its Medicaid program after asset tests were eliminated.

Households must still meet income eligibility and would be ineligible for TANF in the event income exceeded eligibility income limits. For a family of three (the average family size under TANF) containing a work eligible adult, the eligible net income limit per month is of $610. Income exceeding this amount would cause ineligibility. Benefits will therefore still go to those with very little or no income despite the elimination of the asset limit.

The DHS believes eliminating asset testing will encourage Hawai'i families on public assistance to save money and potentially build assets that would help end their reliance on state and federal public assistance and enable them to move towards self-sufficiency. Ending reliance on state and federal public assistance is a major objective of the TANF program created under the Personal Responsibility and Work Opportunity Act of 1996. This action also supports the Governor's New Day objective of developing asset building programs that fight poverty, drive families to self-sufficiency and grow the middle-class. Research has shown that families must build an asset base and engage in self-sustaining employment if they want to be self-sufficient and not rely on public assistance. It is therefore counter-productive to impose an asset limit.

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

Legislative Testimony

HB868

RELATING TO ELIMINATING THE ASSET LIMIT ELIGIBILITY REQUIREMENT FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM

Senate Committee on Human Services

March 9, 2013 3:00pm Conference Room 229

The Office of Hawaiian Affairs (OHA) strongly **SUPPORTS** HB868 because eliminating the asset limit for the Temporary Assistance for Needy Families (TANF) program will encourage TANF recipients to accumulate more assets to improve their financial conditions. OHA supports this bill because it aligns with our strategic priority to improve the conditions of Native Hawaiians toward greater economic self-sufficiency. In 2012, more Native Hawaiians received benefits from the TANF and Temporary Assistance for Other Needy Families programs than any other ethnic group in the state[1].

Asset limits are intended to target public dollars to our most neediest and vulnerable populations. However, asset limits have an unintended consequence: they provide an incentive for individuals to divest themselves of assets and a disincentive to accumulate assets. This is problematic, as families need assets to escape poverty and become self-sufficient.

Financial savings and asset accumulation enables our neediest families to maintain a safety net 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 in their old age.

Reforming asset limits for public assistance programs is a growing trend nationally. Several states have increased the asset limits for public assistance programs, and five states (Ohio, Virginia, Louisiana, Alabama and Maryland) have completely eliminated their asset limits for TANF, which has resulted in little to no change in caseload and reduced administrative costs.

Therefore, OHA urges the committee to **PASS** HB868. Mahalo nui for the opportunity to testify.

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[1] STATE OF HAWAII DEPARTMENT OF HUMAN SERVICES, DATABOOK, PAGE 4 (2013) (Hawaiian/Part-Hawaiian represent 33.5 percent of state TANF and TAONF recipients)

NEIL ABERCROMBIE
GOVERNOR

DWIGHT TAKAMINE
DIRECTOR

AUDREY HIDANO
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MILA KA'AHANUI
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March 8, 2013

To: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

Date: Saturday, March 09, 2013
Time: 3:00 pm
Place: Conference Room 229, State Capitol

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

TESTIMONY IN SUPPORT

Testimony for House Bill 868, Relating to Eliminating the Asset Limit Eligibility Requirement for the Temporary Assistance for Needy Families (TANF) Program

I. OVERVIEW OF PROPOSED LEGISLATION

The measure proposes to amend §346-29, Hawaii Revised Statutes, by deleting the asset limit of $5,000 and the value of one motor vehicle in determining a family's need for financial assistance.

The Office of Community Services supports this bill.

II. CURRENT LAW

The Office of Community Services (OCS) is charged to facilitate and enhance the delivery of service to low-income, immigrant, refugee, and other disadvantaged populations. OCS currently has a single TANF-funded program, a reduction from past years where the Department of Human Services and OCS had additional Memoranda of Agreement for TANF-funded initiatives. Currently, Hawaii Revised Statutes §346-29 (c) (3) allows $5,000 and the value of one motor vehicle in assets for families applying for or receiving TANF benefits.

III. COMMENTS ON HOUSE BILL

As an advocate for the disadvantaged in our State, an administrator of TANF-funded projects, and an active participant on the Financial Aid Advisory Council, I believe this proposal to be both efficient and fair.

Verification of assets is very time consuming and yields little in the way of actual fraud. Currently, resources are being expended on a difficult task that is a very small part of the overall application process. Further, most applicants do not have the assets described. Eliminating the asset limit can cut government 'red tape', streamline benefit provision and allow staffing resources to be used more effectively.

Stereotypes about people who receive government benefits are real, but largely false. While the debate about the nature of poverty continues today, researchers around the world have tested a "culture of poverty" concept empirically and all agreed that there is no such things as a culture of poverty. *Differences in values and behaviors among poor people are just as great as those between poor and wealthy people*. Here are a few examples of myths, along with the facts:

Myth: Poor people are unmotivated and have weak work ethics.

Reality: Poor people do not have weaker work ethics or lower levels of motivation than wealthier people (Iversen & Farber, 1996; Wilson, 1997). Although poor people are often stereotyped as lazy, 83 percent of children from low-income families have at least one employed parent; close to 60 percent have at least one parent who works full-time and year-round (National Center for Children in Poverty, 2004). In fact, the severe shortage of living-wage jobs means that many poor adults must work two, three, or four jobs. According to the Economic Policy Institute (2002), poor working adults spend more hours working each week than their wealthier counterparts.

Myth: Poor people are linguistically deficient.

Reality: All people, regardless of the languages and language varieties they speak, use a full continuum of language registers (Bomer, Dworin, May, & Semingson, 2008). What's more, linguists have known for decades that all language varieties are highly structured with complex grammatical rules (Gee, 2004; Hess, 1974; Miller, Cho, & Bracey, 2005). What often are assumed to be *deficient* varieties of English—Appalachian varieties, perhaps, or what some refer to as Black English Vernacular—are no less sophisticated than so-called "standard English." In Hawaii this concept includes "pidgin" as well as English spoken by people who speak a native language at home and whose first language is not English.

Myth: Poor people tend to abuse drugs and alcohol.

Reality: Poor people are no more likely than their wealthier counterparts to abuse alcohol or drugs. Although drug sales are more visible in poor neighborhoods, drug use is equally distributed across poor, middle class, and wealthy communities (Saxe, Kadushin, Tighe, Rindskopf, & Beveridge, 2001). Chen, Sheth, Krejci, and Wallace (2003) found that alcohol consumption is *significantly higher* among upper middle class white high school students than among poor black high school students. Their finding supports a history of research showing that alcohol abuse is far more prevalent among wealthy people than among poor people (Diala, Muntaner, & Walrath, 2004; Galea, Ahern, Tracy, & Vlahov, 2007). In other words, considering alcohol and illicit drugs together, wealthy people are more likely than poor people to be substance abusers.

Myth: Poor parents are uninvolved in their children's learning, largely because they do not value education.

Reality: Low-income parents hold the same attitudes about education that wealthy parents do (Compton-Lilly, 2003; Lareau & Horvat, 1999; Leichter, 1978). Low-income parents are less likely to attend school functions or volunteer in their children's classrooms (National Center for Education Statistics, 2005)—not because they care less about education, but because they have less *access* to school involvement than their wealthier peers. They are more likely to work multiple jobs, to work evenings, to have jobs without paid leave, and to be unable to afford child care and public transportation. It might be said more accurately that schools that fail to take these considerations into account do not value the involvement of poor families as much as they value the involvement of other families.

I appreciate the opportunity to share this information with you and ask for your support of H.B. 868.

HAWAII
STATE
COMMISSION
ON THE
STATUS
OF
WOMEN

Chair
LESLIE WILKINS

COMMISSIONERS:

ELENA CABATU
ADRIENNE KING
CARMILLE LIM
AMY MONK
LISA ELLEN SMITH
CAROL ANNE PHILIPS

Executive Director
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March 9, 2013

Testimony in Support of HB 868

To: Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair
Senate Committee on Human Services

From: Hawaii State Commission on the Status of Women

Re: Support for HB 868, Relating to Eliminating the Asset Limit Eligibility Requirement for the Temporary Assistance for Needy Families (TANF) Program

The Commission strongly supports HB 868, Relating to Eliminating the Asset Limit Eligibility Requirement for the TANF Program.

Asset limitations for public benefit programs provide an incentive for low-income families to get rid of, or choose not to accumulate, assets. The TANF program requires work and promotes self-reliance, responsibility and family stability. The federal government gives states the flexibility to raise or eliminate their asset tests for most applicants.

Eliminating the asset limit would help families build assets. Building assets provides a safety net for a family, so they can continue to work their way to self-sufficiency and prevent their return to public benefit assistance programs.

There has been significant national discourse regarding asset limits for public benefit assistance recipients, and the Corporation for Enterprise Development (CFED) has recommended eliminating the asset test. Alabama, Louisiana, Maryland, Ohio and Virginia have completely eliminated asset tests for TANF recipients. Research shows that most applicants to TANF programs have very few assets, and in other states, eliminating asset tests greatly simplifies program administration without significantly increasing caseloads.[1]

According to the US Department of Health & Human Services, 85% of adult TANF recipients are women, and 90% of adult recipients are the head of the household.[2] The elimination of TANF asset limits will allow low-income women, particularly single mothers, to begin to build needed assets that will assist families in moving toward self-sufficiency and long-term financial stability. In addition, eliminating the asset test may assist in streamlining and simplifying benefits applications, preserving valuable state resources. We urge the Committee to pass HB 868.

Thank you for this opportunity to testify.

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[1] Sprague and Black, STATE ASSET LIMIT REFORMS AND IMPLICATIONS FOR FEDERAL POLICY, The New America Foundation (2012).

[2] CHARACTERISTICS AND FINANCIAL CIRCUMSTANCES OF TANF RECIPIENTS, FISCAL YEAR 2010, Office of Family Assistance, Administration for Children and Families, United States Department of Health and Human Services, available at: http://www.acf.hhs.gov/programs/ofa/resource/character/fy2010/fy2010-chap10-ys-final, last visited on January 29, 2013.

WOMEN'S CAUCUS
DEMOCRATIC PARTY OF HAWAIʻI

March 9, 2013

To: Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair
Members of the Committee on Human Services

From: Jeanne Y. Ohta, Co-Chair

Re: HB 868 Relating to Eliminating the Asset Eligibility Requirement for the TANF Program
Hearing: Saturday, March 9, 2013, 3:00 p.m., Room 229

Position: Support

The Hawaiʻi State Democratic Women's Caucus writes in support of HB 868 Relating to Eliminating the Asset Eligibility Requirement for the TANF Program. Asset limitations for public benefit programs provide an incentive for low-income families to get rid of, or choose not to accumulate assets. The federal government gives states the flexibility to raise or eliminate asset tests for most applicants.

Eliminating the requirement would help families build assets which provide a safety net for a family so they can work toward their own self-sufficiency and prevent their return to public assistance programs. Nationally approximately 85% of adult TANF recipients are women. Eliminating the asset requirement has also shown to simplify the administration of the program.

The Hawaiʻi State Democratic Women's Caucus is a catalyst for progressive, social, economic, and political change through action on critical issues facing Hawaii's women and girls. It is in keeping with our mission that we support this measure.

We respectfully request that the committee pass this measure and we thank the committee for the opportunity to provide testimony on this measure.

Hawaiʻi State Democratic Women's Caucus, 1050 Ala Moana Blvd #D-26, Honolulu, HI 96814, hidemwomen@gmail.com

U N I V E R S I T Y O F H A W A I ʻ I

Bridge to Hope
Serving UH Welfare Recipient Students

Date: March 7, 2013

To: SENATE Committee on HUMAN SERVICES
Sen. Suzanne Chun Oakland, Chair
Sen. Josh Green, Vice-Chair

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

Re: Strongly Supporting HB 868, Relating To Eliminating The Asset Limit For TANF
Sat. March 9, 2013 3:00 p.m.
Conference Room 229 Committee Clerk, room 226

I am Teresa Bill, **testifying in strong support of HB 868** eliminating the asset limit for TANF public assistance. I am the Coordinator of a Univ. of Hawaiʻi 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.

I am a member of both the Dept. of Human Services' Financial Assistance Advisory Council and the 2008 Hawaiʻi State Asset Building and Financial Education Task Force - both recommended the elimination of asset limit tests for public assistance. This legislation is a long time coming and greatly needed. I am pleased that the Dept. (DHS) is supporting this change in policy, as it reflects the experiences of families working hard to leave public assistance, and the change in national discourse regarding the need for "asset building" for all families.

Eliminating the Asset Test is the right thing to do, and now is the right time to do it.

- Eliminating Asset Test Addresses the Need for Low-Income Families to Save
- Eliminating Asset Test Has Not Increased Caseload in other States
- **Income Eligibility Remains** Even if Asset Test Is Eliminated
- Affordable Care Act Eliminates Medicaid Asset Test in 2014 and building upon the change in philosophy regarding asset tests as well as building upon the redesigned IT platform to implement ACA makes sense.

Eliminating asset limits maintains the intent TANF / "restructuring welfare" to keep savings an option for families to re-build economically.

Many families are forced to spend any "emergency savings" they might have in order to qualify for public assistance. This forced spending and withholding of financial assistance until a family has lost everything -- contradicts every tenet of family financial stability. Once a family gains access to the public assistance program, they are then encouraged to build a path to "economic self-sufficiency" - including rebuilding savings as a buffer against unexpected loss of jobs, car repair, or to attain housing. It is unfortunate when a family must choose between initiating a savings plan and participating in TANF, whose stated goal is to encourage economic self-sufficiency.

I urge you to **support HB868** and give Hawaiʻi families the ability to secure minimal public assistance without draining all resources.
Thank You

2600 Campus Road, Queen Liliʻuokalani Center for Student Services 211, Honolulu, Hawaiʻi 96822-2205
Telephone: (808) 956-8059, Facsimile: (808) 956-9314, Email: bth@hawaii.edu

AMERICAN CIVIL LIBERTIES UNION of HAWAI'I

Committee:	Committee on Human Services
Hearing Date/Time:	Saturday, March 09, 2013, 3:00 p.m.
Place:	Conference Room 229
Re:	*Testimony of the ACLU of Hawaii in Support of H.B. 868, Relating to Eliminating the Asset Limit Eligibility Requirement for the Temporary Assistance for Needy Families Program*

Dear Chair Chun Oakland and Members of the Committee on Human Services:

The American Civil Liberties Union of Hawaii ("ACLU of Hawaii") writes in support of H.B. 868.

To gain a level of stability and self-reliance, it is paramount that low-income families accumulate assets that can be employed as a safety net. Unfortunately, the current TANF limitations on the amount of monies that a family can possess, while still receiving assistance, are prohibitive towards long-term planning and saving. These limits only serve as a disincentive for the accumulation of assets, which is ultimately detrimental in that it prohibits progress towards self-sufficiency.

Whereas the income eligibility test remains with the passage of H.B. 868, the asset limits will not—ensuring that the applicants who most need TANF benefits receive them. Furthermore, research on the subject, by both the Corporation for Enterprise Development (CFED) and the State of Hawaii Department of Human Services (DHS), has supported the elimination of asset tests. Hawaii would follow in the footsteps of states like Ohio, Virginia, Maryland, Louisiana, and Alabama, which have enacted measures like H.B. 868.

Because the federal government permits flexibility regarding state asset limitations and because maintaining the status quo will continue to aversely affect the futures of low-income residents, we strongly urge you to support H.B. 868.

Thank you for this opportunity to testify.

Sincerely,
Laurie A. Temple
Staff Attorney and Legislative Program Director
ACLU of Hawaii

The American Civil Liberties Union ("ACLU") is our nation's guardian of liberty - working daily in courts, legislatures and communities to defend and preserve the individual rights and liberties that the Constitution and laws of the United States guarantee everyone in this country.

American Civil Liberties Union of Hawai'i
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CATHOLIC CHARITIES HAWAIʻI

TESTIMONY IN SUPPORT OF HB 868: Relating to Eliminating the Asset Limit Eligibility Requirement for the Temporary Assistance for Needy Families Program

TO: Senator Suzanne Chun Oakland, Chair, Senator Josh Green, Vice Chair, and Members, Committee on Human Services

FROM: Trisha Kajimura, Social Policy Director, Catholic Charities Hawaii

Hearing: Saturday, March 9, 2013; 3:00 pm; Conference Room 229

Chair Chun Oakand, Vice Chair Green, and Members, Committee on Human Services:

Thank you for the opportunity to testify in support of HB 868: Relating to Eliminating the Asset Limit Eligibility Requirement for the Temporary Assistance for Needy Families Program. I am Trisha Kajimura, Social Policy Director for Catholic Charities Hawaii.

Catholic Charities Hawai`i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai`i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai`i. This bill speaks directly to our advocacy priority of reducing poverty in Hawaiʻi.

Catholic Charities Hawaiʻi stands with the Department of Human Services and many other human services providers in supporting this bill that will help the families we work with who are struggling towards financial self-sufficiency.

Families qualifying for Temporary Assistance for Needy Families (TANF) are among the poorest in our state. Many of them are working very hard to increase their financial stability and become economically self-sufficient. Asset limits for these families discourage the savings essential to achieving self-sufficiency and sends a mixed message to TANF recipients. They can cause TANF recipients to quickly spend relatively large sums of money, such as a tax return refund, to avoid losing benefits. This is counter-productive when that money could be saved for larger family expenses such as to purchase a car, appliances, or obtain independent housing.

Please help reduce poverty in our community by passing this legislation to eliminate the asset limit eligibility requirement for the TANF program.

Thank you for the opportunity to testify. Please contact me at (808)527-4810 or trisha.kajimura@catholiccharitieshawaii.org if you have any questions.

Goodwill
Industries of Hawaii, Inc.

CS13:011T:SF

To: The Honorable Suzanne Chun-Oakland, Chair of the Senate Human Services Committee.
The Honorable Josh Green, Vice Chair of the Senate Human Services Committee

From: Laura Smith, President/CEO
Scott Fuji, Assistant Director of Community Services
Goodwill Industries of Hawaii, Inc.

Date: March 8, 2013

Re: **Testimony in Support of HB 868– Relating to Eliminating the Asset Limit Eligibility Requirement for the Temporary Assistance for Needy Families Program**

Goodwill Industries of Hawaii, Inc. (Goodwill) is among the largest human service non-profit organizations in Hawaii. Our mission is to help people find and succeed in employment, to become self-sufficient. With a Statewide footprint, and offices on Oahu, Maui, Hilo, Kona and Kauai, last year Goodwill served over 15,000 people, placing more than 1,500 into jobs in our community.

Goodwill submits this testimony in strong support of House Bill 868. Goodwill Industries of Hawaii supports HB 868 because of the importance that asset building can have on an individual's life. Goodwill served approximately 3,800 TANF participants last year through the state's First-to-Work program and has extensive knowledge of problems facing TANF participants. One such concern is asset building.

Asset building is essential to building financial independence and stability and breaking the cycle of poverty. We often hear financial planners advise everyone to keep a savings account in the event of emergencies, yet our current asset caps prevent those with the most need from engaging in this most basic of financial practice.

We humbly ask for your support of House Bill 868. Thank you for this opportunity to provide testimony on this matter.

Hawai'i Alliance for Community-Based Economic Development
677 Ala Moana Blvd., Suite 702 Honolulu, HI 96813
Ph. 808.550.2661 Fax 808.534.1199
Email info@hacbed.org www.hacbed.org

HACBED

Community Voice, Collective Action

Date: March 7, 2013
To: Senator Suzanne Chun Oakland, Chair, Senator Josh Green, Vice-Chair, and members of the Committee on Human Services
From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)
Re: Strong Support for HB 868

Aloha Chair Chun Oakland, Vice-Chair Green, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports HB 868, which eliminates the asset limit eligibility requirement for the Temporary Assistance for Needy Families (TANF) Program. 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. As such, HACBED strongly supports the proposed bill that would eliminate the asset limits in the amount of $5,000 and a motor vehicle, which serve as a disincentive for families to save and build assets.

According to the Hawai'i State Asset Building and Financial Education Task Force Final Report, personal savings and assets are the types of resources that allow families to move off public benefit programs; however, asset limits often discourage these families from accumulating savings and assets for the future. TANF was enacted to provide temporary financial assistance with the aim of people getting off of it, largely through employment. Today, that conversation has broadened to assisting families in obtaining family self-sufficiency. Asset limits, however, force families to spend down longer-term savings in order to continue to receive TANF benefits, which creates a cycle of reliance on those benefits. The passage of HB 868 would eliminate unnecessary TANF asset limits and allow families to accumulate savings and assets that are necessary to weather income fluctuations and periods of economic hardship, such as an unexpected job loss or injury to a primary breadwinner. Ultimately, this will help families to get off -- and remain off -- TANF while achieving true self-sufficiency.

Mahalo for this opportunity to testify,

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

HAWAI'I APPLESEED CENTER
LAW AND ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 868 Relating to Eliminating the Asset Limit Eligibility Requirement
for the Temporary Assistance to Needy Families Program
Senate Committee on Human Services
Scheduled for Hearing on Saturday, March 9, 2013, 3:00 PM, Room 229

Thank you for an opportunity to testify in strong support of House Bill 868, which would eliminate the asset limit for families receiving Temporary Assistance to Needy Families (TANF).

Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit, 501(c)(3) law firm created to advocate on behalf of low income individuals and families in Hawai'i on civil legal issues of statewide importance. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.

When analyzing the impact of asset limits, we need to focus not just on income poverty, but also asset poverty. Asset building is essential to financial stability and economic mobility, yet asset limits for TANF eligibility discourage families from building these resources.

A family is considered asset poor when it lacks sufficient resources to subsist at the poverty level for three months in the absence of all income. For a family of four in Hawai'i, this threshold is $6,627. The current TANF asset limit of $5,000 is less than what a family would need to stay above the asset poverty level and barely survive in the event of a financial emergency.

Asset limits can actually send families the counterproductive message that they should not save for their future. With asset limits, a family may have to "spend down" its savings to qualify for assistance and not build resources that will help them to provide for future needs. Moreover, asset limits no longer fit the goals of the TANF program, which focuses on quickly moving families into financial self-sufficiency. The five year lifetime limits on TANF benefits and work requirements have made an asset test obsolete. In actuality, savings and other assets are what enable people to move off of public benefit programs such as TANF and build a better future.

In addition, the state may even save money by eliminating the asset limit. As reported in its "Assets and Opportunities Scorecard," the Corporation for Economic Development found that evidence from states which had eliminated asset tests suggested that savings in administrative costs actually exceeded increases in caseloads.

An asset test for TANF eligibility ultimately undermines the program's goals because it makes it more difficult for recipients to achieve economic self-sufficiency and escape asset poverty. Families who are financially struggling should not be penalized for building savings for retirement or college, or owning a second vehicle which could enable additional family members to work, seek employment, attend school, or participate in job training. Families receiving TANF should instead be encouraged to develop the resources needed that will help them achieve financially secure in the future.

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TESTIMONY IN SUPPORT OF
HB868 - RELATING TO ELIMINATING THE ASSET LIMIT ELIGIBILITY REQUIREMENT FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM

Committee on Human Services – Room 229

Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice-Chair

March 9, 2013 at 3:00 p.m.

The Legal Aid Society of Hawaii submits testimony in support of HB868 – Relating to the Eliminating the Asset Limit Eligibility Requirement for the Temporary Assistance for Needy Families Program. This bill would eliminate the counting of assets for those seeking assistance from the Temporary Assistance for Needy Families Program. By eliminating the counting of assets, families receiving assistance are able to save for rental deposits, for the purchase of a car that might be needed for transportation to and from work, or to get off of assistance. It is important to note that income eligibility tests would still be in place and families would have to have minimal income to qualify for this time limited program.

We believe that the fiscal impact on the state will be minimal in that less than one percent of denials and closures have been due to those over assets. In fact, it is likely that costs could actually be reduced in that the time which Department of Human Services staff must spend on determining asset eligibility.

In Legal Aid's experience, one of the key benefits of eliminating this rule is the benefit that it would provide to those who have inherited partial interests in property, in most cases kuleana lands, where their interest may be only 1/32 of the overall property. Under current Department of Human Services rules, the value of this property if the individual is not living on it, which is most often the case, will be counted as an asset unless the individual can find a real estate broker willing to provide a value assessment and analysis as to whether it is possible to partition the property or sell it. For those with already limited resources it is almost impossible to do this without a real estate broker who is willing to assist pro bono. The Department of Human Services has indicated that most of those denied Temporary Assistance for Needy Families assistance in the last year were for this reason.

Thank you for this opportunity to provide testimony.

Sincerely,

M. Nalani Fujimori Kaina
Executive Director

The Legal Aid Society of Hawaii (Legal Aid) is the only legal service provider with offices on every island in the state, and in 2012 provided legal assistance to approximately 10,000 Hawai'i residents in the areas of consumer fraud, public assistance, family law, the prevention of homelessness, employment, protection from domestic violence, and immigration. Our mission is to achieve fairness and justice through legal advocacy, outreach and education for those in need.

From:	mailinglist@capitol.hawaii.gov
To:	HMS Testimony
Cc:	annsfreed@gmail.com
Subject:	Submitted testimony for HB868 on Mar 9, 2013 15:00PM
Date:	Friday, March 08, 2013 11:47:20 PM

HB868
Submitted on: 3/8/2013
Testimony for HMS on Mar 9, 2013 15:00PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S. Freed	Hawai`i Women's Coaltion	Support	No

Comments: COMMITTEE ON HUMAN SERVICES Senator Suzanne Chun Oakland, Chair Senator Josh Green, Vice Chair DATE: Saturday, March 09, 2013, 3:00 pm Conference Room 229 Aloha Chair Chun Oakland, Vice Chair Green and members, STRONG SUPPORT FOR HB868, ELIMINATING THE ASSET LIMIT FOR TANF RECIPIENTS The Hawai`i Women's Coaltion is in strong support of this measure. Asset limitations for public benefit programs provide an incentive for low-income families to get rid of, or choose not to accumulate, assets. The TANF program requires work and promotes self-reliance, responsibility and family stability. The federal government gives states the flexibility to raise or eliminate their asset tests for most applicants. Eliminating the asset limit would help families build assets. Building assets provides a safety net for a family, so they can continue to work their way to self- sufficiency and prevent their return to public benefit assistance programs.There has been significant national discourse regarding asset limits for public benefit assistance recipients, and the Corporation for Enterprise Development (CFED) has recommended eliminating the asset test. Alabama, Louisiana, Maryland, Ohio and Virginia have completely eliminated asset tests for TANF recipients. Research shows that most applicants to TANF programs have very few assets, and in other states, eliminating asset tests greatly simplifies program administration without significantly increasing caseloads.1According to the US Department of Health & Human Services, 85% of adult TANF recipients are women, and 90% of adult recipients are the head of the household. The elimination of TANF asset limits will allow low-income women, particularly single mothers, to begin to build needed assets that will assist families in moving toward self- sufficiency and long-term financial stability. In addition, eliminating the asset test may assist in streamlining and simplifying benefits applications, preserving valuable state resources. We urge the Committee to pass HB 868.Thank you for this opportunity to testify. Ann S. Freed Co-Chair, Hawai`i Women's Coaltion Mililani, HI 96789

TESTIMONY FOR HOUSE BILL 868 – RELATING TO ELIMINATING THE ASSET LIMIT ELIGIBILITY REQUIREMENT FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM.

TO REPRESENTATIVE CARROLL AND THE MEMBERS OF THE COMMITTEE:

My name is Kathleen Han and I am a graduate student at the University of Hawaii School of Social Work. I support this bill.

I have dealt with the population of new families that may need additional support but they currently do not meet the current federal and state guidelines for maximum allowed asset to qualify for Temporary Assistance for Needy Families Program (TANF). This bill will eliminate those asset requirements, allowing these new families to obtain additional support, especially during this stressful situation in their life with financial stability as a major concern. Getting the additional funding with TANF may ease this transitional period and help families achieve the goal of self-sufficiency.

Thank you for hearing my testimony,

Kathleen Han