



SB 1099 SD2
RELATING TO ELIMINATING THE ASSET LIMIT ELIGIBILITY REQUIREMENT
FOR THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM
House Committee on Human Services

March 12, 2013

9:30am

Conference Room 329

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB1099 SD2 which would eliminate the asset limit for the Temporary Assistance for Needy Families (TANF) program to allow families to accumulate assets and improve their financial conditions. OHA supports this bill as it fits within our strategic priority of improving the conditions of Native Hawaiians toward greater economic self-sufficiency.

The purpose of asset limits are intended to target public dollars to our most neediest and vulnerable populations. However, the unintended consequence of these asset limits provides an incentive for individuals to divest themselves of assets and a disincentive to accumulate assets. This is problematic, as families need assets to avoid and escape poverty and become self-sufficient.

A pragmatic approach to address this dilemma would be to eliminate asset limits for the TANF program, which would encourage families to save and build a bridge from government dependency to self-sufficiency. 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 in public assistance programs can make a significant impact on how we address poverty in our communities in a systemic way. Through national and local advocacy efforts, reform to asset limits in public assistance programs has been impacted in a meaningful way. There are five states (Ohio, Virginia, Louisiana, Alabama, and Maryland) that have completely eliminated their asset limits for TANF which has resulted in little to no change in caseload and reduced administrative costs.

OHA urges the committee to **PASS** SB1099 SD2. Mahalo nui for the opportunity to testify.