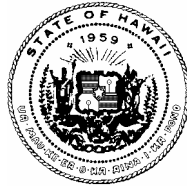


SB 2428

Measure Title:	RELATING TO PUBLIC ASSISTANCE.
Report Title:	Public Assistance; Work; Income Eligibility
Description:	Provides that no recipient of an assistance allowance shall be denied or terminated from receiving benefits if the recipient is employed at the time of reaching the time limit for receiving benefits. Gradually reduces benefits over a three-year period or sooner to phase out benefits as incomes rise, in amounts as determined by the department of human services.
Companion:	
Package:	None
Current Referral:	HMS, WAM
Introducer(s):	KAHELE, Baker, Chun Oakland, Gabbard, Galuteria, Keith-Agaran, Shimabukuro, Slom, Solomon, Taniguchi



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

February 11, 2014

MEMORANDUM

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

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 2428 - RELATING TO PUBLIC ASSISTANCE**

Hearing: Tuesday, February 11, 2014; 1:45 p.m.
Conference Room 016; State Capitol

PURPOSE: The purpose of this bill is to provide continued receipt of an assistance allowance if the recipient is employed at the time of reaching the time limit for receiving benefits. This bill also gradually reduces benefits over a three-year period or sooner to phase out benefits as incomes rise, in amounts as determined by the department of human services.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) respectfully provides the following comments on this bill.

The 60- month time limit for the federal Temporary Assistance for Needy Families program (TANF) is established by federal law through the passage of Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 and extending assistance benefits beyond the 60 month time limit would be in violation of this

federal law. A state requirement to extend the receipt of benefits beyond the federal time limit would have to be funded by state funds only.

In FY 2013 and SFY 2012, there was an average of 369 case closures combined, due to the 60-month time limit, for both the TANF program and the totally state-funded Temporary Assistance for Other Needy Families program (that also has the 60-month time limit). The average monthly assistance for a TANF/TAONF family in FY 2013 was \$512 a month. To continue assistance for the 369 timed-out cases will require an additional state fund appropriation of \$2,267,136 for the first year. By the third year of this initiative, the potential numbers could possibly reach several hundred cases if another 369 cases were added each year. Although not all of these individuals were employed at the time of closure, they represent the potential number of cases impacted by this measure.

The Department would also like to note that this measure does not define what is meant by “employed”. By not specifying a minimum number of hours it could mean someone employed for as little as one hour per week could be eligible for the extension.

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



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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB 2428 Relating to Public Assistance
Senate Committee on Human Services
Scheduled for Hearing Tuesday, February 11, 2014, 1:45 PM, Room 016

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.

Thank you for the opportunity to testify in **support** of Senate Bill 2428, which would change requirements for receipt of public assistance so that recipients will not be denied or terminated from receiving benefits if they are employed when they reach the time limit for receiving benefits. This bill would provide that these working households continue to receive government assistance, which would gradually be phased out as their income rises.

Government assistance is intended to help households make ends meet during times of financial hardship and get back on their feet. Just getting by in Hawai'i is challenging, with the highest cost of living in the country and many households who struggle just to pay for necessities such as food and shelter. We have the ninth highest rate of poverty in the country under the U.S. Census' Supplemental Poverty measure at 17 percent. This measure considers both the cost of living *and* available government assistance, which indicates that far more families are barely subsisting than the official poverty rate suggests.

In light of these financial realities, recipients of public assistance have a very legitimate concern that they have enough stable income to provide for themselves and their families. For example, a recipient of public assistance who gets a minimum wage job (\$7.25 hour) and works full-time would still fall 16 percent below the poverty guidelines for a household of two. Over time, this worker's earnings will hopefully increase, but an abrupt reduction in or termination of public assistance could leave this recipient financially worse off, even though she is earning income. Parents seek to do what is best for their families and provide a financially stable home for their children; if working means less income, then it does not make sense for parents to make their families worse off. The current structure can be a counterproductive practice that may deter employment.

We should ensure that our assistance programs are structured in a way that helps families reach greater financial self-sufficiency and encourage work. This proposed legislation would better help households achieve this goal, as they use temporary assistance to get back on their feet. Again, thank you for the opportunity to testify in support of SB 2428 so that our families can receive the assistance that they need to make ends meet while they are taking steps toward financial security through employment.