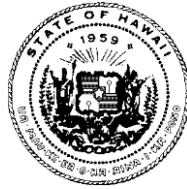


DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96808

February 13, 2018

TO: The Honorable John M. Mizuno, Chair
House Committee on Health and Human Services

The Honorable Aaron Ling Johanson, Chair
House Committee on Labor and Public Employment

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2204 - RELATING TO HUMAN SERVICES**

Hearing: Tuesday, February 13, 2018, 8:35 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of this bill and provides comments.

PURPOSE: The purpose of this bill is to establish a task force that shall develop a restructured welfare payment system; re-establishes the exit and retention bonus program to encourage welfare recipients to transition back into the workforce; and appropriates funds.

The Financial Assistance Advisory Council (FAAC) was established in accordance with section 346-14.5, Hawaii Revised Statutes. The purpose of the FAAC is to render advice and information relating to the financial assistance programs. The proposed task force will be duplicative of what is already established in the Hawaii Revised Statutes. The department suggests that the committees consider utilizing the FAAC for this purpose, rather than establishing a task force.

Regarding the exit and retention bonus program, in October 2006, DHS implemented the "Reward Works" initiative which included the exit and retention bonus payments. The bonuses were based on a family's average number of employment hours per week. The Reward Works initiative ended February 1, 2012 because DHS did not have funds to fiscally sustain the exit and retention bonuses. To restart the program would require an appropriation.

AN EQUAL OPPORTUNITY AGENCY

The following was the payment structure for the Exit and Retention Bonus Payments:

Exit and Retention Bonus Payments

Bonus Type	Avg 20 Hrs/Week	Avg 30 Hrs/Week	Avg 40 Hrs/Week
At TANF Exit	\$ 500	\$ 700	\$ 1,000
3-Month Job Retention	\$ 700	\$ 950	\$ 1,250
6-Month Job Retention	\$ 1,000	\$ 1,250	\$ 1,500
12-Month Job Retention	\$ 1,200	\$ 1,700	\$ 2,000
24-Month Job Retention	\$ 1,400	\$ 2,250	\$ 2,500

Between SFY 2010 and 2012, a total of 640 TANF recipient families received payments for exit bonuses that averaged about \$774, and a total of 1,878 families received payments for 3-month, 6-month, 12-month and 24-month retention bonuses that averaged about \$1,878. DHS paid \$1,605,000 in SFY 2010; \$1,091,650 in SFY 2011; and \$578,650 in SFY 2012, for a total of \$3,275,300 for the last three years of the Reward Works initiative. These numbers are provided for consideration regarding appropriations.

	SFY 2010			SFY 2011			SFY 2012 ¹		
	Total Clients	Total Payments	Avg Payment	Total Clients	Total Payments	Avg Payment	Total Clients	Total Payments	Avg Payment
Exit	299	\$ 230,800	\$ 772	222	\$ 173,600	\$ 782	119	\$ 90,900	\$ 764
3-mos	283	\$ 287,550	\$ 1,016	165	\$ 169,150	\$ 1,025	103	\$ 104,000	\$ 1,010
6-mos	245	\$ 343,500	\$ 1,402	146	\$ 190,250	\$ 1,303	88	\$ 117,250	\$ 1,332
12-mos	251	\$ 436,200	\$ 1,738	136	\$ 237,700	\$ 1,748	71	\$ 125,900	\$ 1,773
24-mos	180	\$ 307,050	\$ 1,706	147	\$ 320,950	\$ 2,183	63	\$ 140,600	\$ 2,232

Additionally, DHS is implementing the 'Ohana Nui initiative that focuses the department's service delivery to a multigenerational approach to reduce the time a child and family spends in poverty, and to prevent intergenerational reliance on government assistance. Investments in family-oriented services such as home visiting programs, financial capability services, and family literacy, will make a great impact in stabilizing a child's basic needs and environment to enhance their ability to learn, improve all recipients' economic security, and ultimately reduce intergenerational poverty in Hawaii.

We request that if the measure moves forward, that any appropriation not supplant an appropriation requested in the Governor's supplemental budget, nor redirect a current resource to another project or program.

Thank you for the opportunity to testify.

Helping Hawai'i Live Well

To: Representative John Mizuno, Chair, Representative Bertrand Kobayashi, Vice Chair, Members, House Committee on Health and Human Services

Representative Aaron Johansen, Chair, Representative Daniel Holt, Vice Chair, Members, House Committee on Labor and Public Employment

From: Trisha Kajimura, Executive Director

Re: TESTIMONY IN SUPPORT OF HB 2204 RELATING TO HUMAN SERVICES

Hearing: February 13, 2018, 8:35 am, CR 329

Thank you for hearing **House Bill 2204**, which establishes a task force that shall develop a restructured welfare payment system and re-establishes the exit and retention bonus program to encourage welfare recipients to transition back into the workforce.

Mental Health America of Hawaii is a 501(c)3 organization founded in Hawai'i 76 years ago, that serves the community by promoting mental health through advocacy, education and service.

This policy aligns with our interest in supporting economic justice issues that level the playing field for vulnerable populations. People living in poverty are at higher risk for mental illness, particularly depression, making it more difficult than it already is to improve their economic circumstances through work that pays a living wage. This measure, providing financial incentive to work and stay employed without losing welfare beneficiary status abruptly, coupled with other economic justice measures, will contribute to a more just system.

Thank you for considering my **testimony in support of HB 2204**. Please contact me at trisha.kajimura@mentalhealthhawaii.org or (808)521-1846 if you have any questions.

HB-2204

Submitted on: 2/11/2018 6:34:54 PM

Testimony for HHS on 2/13/2018 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Individual	Support	No

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES
DEMOCRATIC PARTY OF HAWAII
TO THE COMMITTEE ON HEALTH & HUMAN SERVICES
AND
COMMITTEE ON LABOR & PUBLIC EMPLOYMENT
THE HOUSE OF REPRESENTATIVES
TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018
Tuesday, February 13, 2018
8:35 a.m.**

Hawaii State Capitol, Conference Room 329

RE: Testimony in Support of HB 2204, RELATING TO HUMAN SERVICES

To the Honorable John M. Mizuno, Chair; the Honorable Bertrand Kobayashi, Vice-Chair and the Members of the Committee on Health and Human Services:

To the Honorable Aaron Ling Johanson, Chair; the Honorable Daniel Holt, Vice-Chair and the Members of the Committee on Labor and Public Employment:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of

Hawaii. Thank you for the opportunity to provide written testimony on House Bill No.2204 relating to human services and welfare description.

The OCC Legislative Priorities Committee is in favor of House Bill No. 2204 and supports its passage.

House Bill No.2204 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it establishes a task force to develop a restructured welfare payment system and re-establishes an exit and retention bonus program to encourage welfare recipients to transition back into the workforce.

The DPH Platform states that "[w]e believe that all families should have an equal opportunity to build their assets and become self-sufficient, and we support a strong safety net of programs that will afford them the opportunity to do so. . . .We support initiatives that enhance access and equity in education, employment, and business opportunities intended to lift families and individuals out of poverty and remove existing barriers to equal opportunity in our communities." (Platform of the DPH, P. 4, Lines 184-185, 189-191 (2016)).

Given that House Bill No.2204 establishes a task force to develop a restructured welfare payment system and re-establishes an exit and retention bonus program to encourage welfare recipients to transition back into the workforce, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ **Melodie Aduja**

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Tel.: (808) 258-8889

HB-2204

Submitted on: 2/11/2018 11:34:54 PM

Testimony for HHS on 2/13/2018 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lea Minton	Individual	Support	No

Comments:

HB-2204

Submitted on: 2/12/2018 12:28:20 PM

Testimony for HHS on 2/13/2018 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carmen Golay	Individual	Support	No

Comments:

HB-2204

Submitted on: 2/12/2018 7:47:49 AM

Testimony for HHS on 2/13/2018 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Younghi Overly	Individual	Support	No

Comments:

HB-2204

Submitted on: 2/12/2018 4:44:14 PM

Testimony for HHS on 2/13/2018 8:35:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan J. Wurtzburg	American Association of University Women, Hawaii	Comments	No

Comments:

Aloha Committee Members,

This bill sounds highly worthy, and the provision of additional funds to TANF beneficiaries is something I applaud. It is extremely challenging to support a household on the amounts provided to beneficiaries in an expensive state such as Hawaii. I would be delighted to see all the benefits rise.

A concern is that I would not like to see inducements used as a means to encourage families to remove themselves from the TANF register, and then see these household members founder, and end up homeless. I think it is difficult to monitor TANF staff so that payments are not used in this way. I have visited these offices in other states with family members and seen staff attempt to limit needy heads of families by behaving in a manner contrary to the stated purpose of TANF. Data also demonstrates that many states do not pay out as much TANF as they should be paying based on census data.

Thanks for your attention to my testimony,

Susan J. Wurtzburg



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

LATE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 2204 -- Relating to Human Services
House Committees on Health & Human Services and on Labor & Public Employment
Scheduled for Hearing on Tuesday, February 13, 2018, 8:35 AM, Conference Room 329

Dear Chairs Mizuno and Johanson, Vice Chairs Kobayashi and Holt, and members of the Committees:

Thank you for the opportunity to testify in SUPPORT of **HB 2204**, which would establish a task force that would develop a restructured welfare payment system and re-establish the exit and retention bonus program to encourage welfare recipients to transition back into the workforce.

Hawai'i's exit bonus and job retention bonus programs were terminated at the end of 2011 due to the state fiscal crisis. With the budget back on strong footing, this is a good time to restore the programs.

These bonus payments to workers leaving TANF when they obtain employment can promote job retention and help stabilize themselves and their families. These payments could also be targeted to address the up-front costs of starting employment, such as purchasing uniforms or other work attire, or repairing a car.

Since TANF has a five-year lifetime limit, keeping former TANF recipients employed also would help them retain months or years of future eligibility, in the case that they were to run into hard times again.

In reference to the task force that the bill would convene, we respectfully request that you consider broadening its scope in order to ensure TANF in Hawai'i is fulfilling the program's intended purpose, which is to provide adequate cash assistance to help families in poverty make ends meet. While they may receive SNAP benefits, that program does not provide the cash they need to pay their rent or for other necessities.

With some of the lowest unemployment rates and TANF caseload levels in our state's history,¹ the task force could explore how to use our current savings to provide coverage to more families living in poverty, more adequate levels of basic assistance, and better support for parents with small children.

In 2015-16, only 38 out of 100 poor families with children in Hawai'i received TANF, a decline of 70 points from 20 years earlier.² This represents a real loss of cash that is crucial for families to stay out of debt and in their homes, since other anti-poverty programs cannot fulfill this role.

¹ <https://www.cbpp.org/research/family-income-support/tanf-reaching-few-poor-families>

² https://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_hi.pdf

The limited availability of TANF puts impoverished families, and especially their keiki, at risk of much greater hardship and the attendant long-term negative consequences. Research shows that decreasing TANF caseloads is a main factor in rising “extreme poverty” across the nation. In Hawai‘i, the number of families with children in deep poverty has more than doubled from 3,300 in 1995-96 to 8,600 in 2015-16.³ This increase in deep poverty is likely a driving factor behind our state's homelessness crisis.

The task force could also consider restoring the full value of TANF benefits that have been lost, as well as establishing a mechanism to prevent the future erosion of benefit values in the future. In Hawai‘i, the value of TANF for a single parent family of three dropped by 45 percent between 1996 and 2017.⁴ Some states automatically adjust TANF benefits annually to keep up with inflation. Not only does that improve the lives of families receiving TANF, but it also helps local businesses, as poor families quickly plow their benefits back into the local economy.

Finally, the task force could examine how to use TANF funds to better support parents. Hawai‘i is below the national average in TANF spending on childcare and pre-K. While 17 percent of TANF spending nationally was on childcare in 2015, in Hawai‘i it was only 7 percent. For pre-K, the national average was 6 percent, but in Hawai‘i none of TANF spending was for pre-K.⁵

TANF recipients who are determined to be work eligible are expected to perform 30 hours per week of work activities, but single custodial parents with a child under the age of six are exempted from this requirement if they cannot find suitable childcare. Increasing TANF spending on childcare and pre-K could help more of these parents transition to work.

The reduction in TANF's reach over the past two decades in Hawai‘i has meant that families that have lost a job, are fleeing a domestic violence situation, or face a health crisis have had less access to the cash assistance that could help them get back on their feet. These families need TANF to pay their rent, for necessities, and for childcare. Without adequate TANF support, these families are more likely to spiral downward and find it even harder to escape poverty, with its long-term negative effects, especially for their children.

We appreciate your consideration of this testimony.

³ https://www.cbpp.org/sites/default/files/atoms/files/tanf_trends_hi.pdf

⁴ <https://www.cbpp.org/research/family-income-support/tanf-cash-benefits-have-fallen-by-more-than-20-percent-in-most-states>

⁵ https://www.cbpp.org/sites/default/files/atoms/files/tanf_spending_hi.pdf

LATE

February 12, 2018

HEARING DATE: Wednesday, February 13, 2018
8:35 am, Conference room 329

TO: Rep. Mizuno, Chair
Rep. Aaron Johanson, Chair
and members of the House Committee on Health and Human Services
and Committee on Labor and Public Employment

FROM: Debbie Shimizu, LSW

RE: HB 2204 Relating to Human Services

WRITTEN TESTIMONY in SUPPORT

Chair Mizuno, Chair Johanson and members of the House Committees on Health and Human Services and Labor and Public Employment. I am testifying in **strong support of HB 2204 Relating to Human Services.**

This bill will establish a task force to examine and revise the current welfare payment system, create a sliding scale payment system and explore other possible methods to provide incentives to welfare recipients. Additionally in 2019, funds will be appropriated to the Department of Human Services to re-establish the exit and retention bonus system.

I served on the Financial Assistance Advisory Council when it was created in 1998 to advise the Director of the Department of Human Services on financial benefits such as TANF, TANOF and general assistance. At that time, the standard of assistance was calculated at 62.5% of the 1993 FPL. In 2006, we were able to raise it to the current formula which is no lower than 34% of the 2006 FPL and no higher than 62.5% of the 2006 FPL. We struggled to make that change. That was twelve (12) years ago!! It is definitely time to review the standard of assistance and revise the way we help individuals on welfare become self-sufficient.

A task force would be helpful to examine this issue and make recommendations to restructure our welfare payment system.

Thank you for the opportunity to testify in **strong SUPPORT of HB 2204 relating to Human Services.**



COMMITTEE ON HEALTH & HUMAN SERVICES

Rep. John M. Mizuno, Chair

COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Rep. Aaron Ling Johanson, Chair

DATE: Tuesday, February 13, 2018

TIME: 8:35am

PLACE: Conference Room 329

SUPPORT THE INTENT OF HB2204 that establishes a task force that shall develop a restructured welfare payment system and re-establishes the exit and retention bonus program to encourage welfare recipients to transition back into the workforce.

Aloha Chair Mizuno, Chair Johanson and members,

An informal poll of our Coalition members has garnered general support for this interesting measure to redress the current situation where those in receipt of public assistance are penalized for getting a job or a promotion that would lift their family out of poverty.

The idea of exit bonuses is sound, equaling more money for low-income families as they transition off public assistance. As to the task force we would like more information as to its mandate and composition. Specifically, we would like some input as to its composition.

We would also like to point out that TANF payment levels are way down and it would be good if there were a way to better support those families that are receiving such assistance. The Center on Budget and Policy Priorities found that the value of TANF for a single parent family of 3 dropped 45% between 1996 and 2017. (See this link: <https://www.cbpp.org/research/family-income-support/tanf-cash-benefits-have-fallen-by-more-than-20-percent-in-most-states>)

Some of our members are worried by the "incentivizing self-sufficiency" language that has in sometimes been used to kick people off of assistance in spite of their need for it. In reading the bill, that is not the stated intent.

Mahalo for the opportunity to testify. We look forward to providing further testimony should this bill move out of committee.

Ann S. Freed Co-Chair, Hawai'i Women's Coalition

Contact: annsfreed@gmail.com Phone: 808-623-5676