



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
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February 25, 2018

TO: The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2793 SD1 – RELATING TO POVERTY**

Hearing: Wednesday, February 28, 2018 at 10:45 a.m.
Conference Room 211, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports this administration proposal that will further the work of DHS to assist our clients' ability to achieve their full human potential, improve the well-being of individuals, their families, and the community.

PURPOSE: The purpose of this bill requires DHS to use an integrated and multigenerational approach to delivering human services to reduce the incidence of intergenerational poverty and dependence on public benefits.

DHS has a large stake in ending poverty in Hawaii. DHS provides benefits and services to one in four Hawaii residents, or nearly 360,000 individuals, and provides medical insurance coverage for nearly one-half of Hawaii's children. DHS has the largest operating budget of any state department, approximately \$3.3 billion, to provide benefits and services relating to homelessness, education, employment, health care, child care, food security, protective services, and vocational rehabilitation.

DHS is part of the national movement to improve the delivery of human services lead by the National Governors Association, the American Public Human Services Association, and Ascend of the Aspen Institute, the Urban Institute, and others. DHS is

adopting a service integration and multigenerational approach, is redesigning its business processes, and continues to improve its technology systems.

DHS is also engaged in its first departmental strategic plan to improve overall program outcomes and establish outcome measures of services for children, parents, and families geared to reduce adverse risks and increase protective factors that promote educational attainment and wage progression that lead to economic self-sufficiency. Through service integration and addressing the needs of multiple generations in a family concurrently, efforts and resources will be better targeted to support the well-being of individuals and families. Investment is also being directed to improving the human services workforce by supporting professional development to improve the work environment, encourage retention, and renew employees' dedication to helping Hawaii's vulnerable residents reach their human and economic potential.

Ultimately, the goals of transformation are to improve well-being of individuals, families, and the community, reduce intergenerational poverty, reduce dependence on public benefits, and reduce the human and fiscal costs of poverty. This administration bill will underpin the department's transformation from a siloed service delivery model to an integrated and multi-generational model.

Multiple studies identify the consequences of growing up in poverty: "individuals who grow up in poor families are more likely to be poor in early adulthood;" and "the chances of being poor in early adulthood increases sharply the longer the time spent in poverty in early childhood." See, Robert L. Wagmiller, Jr., and Robert M. Adelman, "Childhood and Intergenerational Poverty: The Long-Term Consequences of Growing up Poor."

The groundbreaking 1988 Adverse Childhood Experiences (ACE) Study showed clear linkage of the number of ACEs a child experienced to negative health outcomes in adulthood.

Further, a 2015 Swedish study, similarly confirmed the findings of the ACE study using Swedish population data, and concluded that "creating equal opportunities for educational attainment may help to reduce the long-term effect of a disadvantaged childhood and postpone functional health problems." See N. Agahi, B. Shaw, S. Fors, "Social

and economic conditions in childhood and the progression of functional health problems from midlife into old age," J Epidemiol Community Health 2014; 0:1–7. doi:10.1136/jech-2013-20369.

Preliminary analysis of data from Hawaii's Supplemental Nutrition Assistance Program (SNAP) show that a percentage of Hawaii's SNAP recipients experience intergenerational poverty. For those born from 1987-1996 (currently, 21-30 years old), over 35,000 received SNAP benefits in childhood and as adults, or 21 percent of (166,081) the total number of those born from 1987-1996 who received SNAP benefits during their lifetime. For those born, during the period 1977-1986 (currently, 31-40 years old), more than 33,000 received SNAP benefits in childhood and as adults, or 23.5 percent of (140,930) the total number of those born during the period 1977-1986 who ever received SNAP.

Of particular concern is that individuals in the above age groups represent parents of young children. To change the trajectory of these families and individuals, DHS must transform its practices and provide services more effectively in a way that will support the child's, parent's and other individual's social capital, educational and economic potential to become self-sufficient, and reduce their dependence on public benefits.

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



**Testimony to the Senate Committee on Ways and Means
Wednesday, February 28, 2018; 10:45 a.m.
State Capitol, Conference Room 211**

RE: SUPPORTING SENATE BILL NO. 2793, SENATE DRAFT 1, RELATING TO HUMAN SERVICES.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** Senate Bill No. 2793, Senate Draft 1, RELATING TO HUMAN SERVICES.

The bill, as received by your Committee, would clarify the mission of the Department of Human Services to emphasize an integrated and multigenerational approach to improve economic security and reduce the incidence of intergenerational poverty and dependence on public benefits.

Federally Qualified Health Centers (FQHCs) provide desperately needed medical services at the frontlines in rural communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of health.

In 1854, Abraham Lincoln wrote that the "*object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do, for themselves, in their separate and individual capacities.*" Lincoln believed, in other words, that government is how we organize our responsibilities to each other.

The path envisioned by Lincoln, where government naturally assumes a smaller role -- not by refusing to meet its responsibilities, but because in meeting those responsibilities fully, the need for government diminishes, would appear to be at the heart of the proposed bill.

Taking responsible steps to reduce poverty is not merely a moral imperative but an economic one. And government should act now. This bill ensures that the State of Hawaii firmly moves toward that end.

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President Lincoln couldn't have envisioned the complex problems we face now. But when he wrote that government "*embraces all which, in its nature, and without wrong, requires combined action, as public roads and highways, public schools, charities, pauperism, orphanage, estates of the deceased, and the machinery of government itself,*" he had a good handle on what it meant to use government as a tool to provide the stability and opportunity needed to attack poverty.

Accordingly, we **SUPPORT** this measure and urge your favorable consideration.

In advance, thank you for your consideration of our testimony.